EUROPE'S BUSINESS NEWSPAPER

FINANCIAL TIMES

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Austria	Sch22	Indonesia	Rp1160	Oman	Or1
Bahrain	Dh0.700	Iran	Rls210	Philippines	Peso40
Belgium	BFr30	Israel	NIS3.00	Portugal	Esc140
Cyprus	C£0.60	Italy	L1700	Qatar	Qr3.50
Denmark	DKr16.00	Jordan	Fils1000	S.Arabia	Rls7.00
Egypt	E£3.25	Kuwait	Fils.850	Singapore	S$4.10
Finland	Fmk7.00	Lebanon	£250.00	Spain	Ptas140
France	FFr7.00	Lux	LFr30	Sweden	SKr10
Germany	DM2.20	Malaysia	Rm4.35	Switz.	SFr2.40
Greece	Dr180	Morocco	DH6.00	Thailand	Bt60
Hong Kong	HK$12	Nmth	F$3.00	Tunisia	Din0.800
Iceland	Ikr125	Nigeria	Naira16	Turkey	L1300
India	Rupi5	Norway	Nkr10.00	UAE	Dh7.00

AIR TRAFFIC

Grounds for unity in Europe's skies

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World News

Soviets plan cuts in defence budget

President Mikhail Gorbachev opened the Supreme Soviet, calling for deputies to support austerity as Finance Minister Valentin Pavlo outlined budget plans including defence cuts, the sale of loss-making enterprises and a bonds issue to halve budget deficits. Page 24; Greenspan visit, Page 6

Cambodian war

Cambodia's war against Vietnam turned into a civil war as Vietnamese troops streamed out of Phnom Penh to end an 11-year occupation. Page 24

BNL arson inquiry

Italian police are investigating a suspected arson attack on a Rome branch of the Banca Nazionale del Lavoro, the Italian bank at the centre of a scandal over export loan commitments to Iraq. Page 2

German states

Hans-Dietrich Genscher, West German Foreign Minister, is in favour of confederation between the two German states. Page 2

Kaifu wins support

Toshiki Kaifu, the Japanese Prime Minister, has succeeded in rebuilding a measure of public support for the ruling Liberal Democratic Party. Page 4

Hungarian reform

The Hungarian Parliament is to begin debating reforms leading to a multi-party system. Page 3

Indian rally

Indian opposition leaders took part in a political rally in Delhi which is likely to erode confidence in the ruling Congress Party that it will win this year's general election. Page 6

S Korean outrage

Members of South Korea's National Assembly expressed outrage over a decision by the Seoul Prosecutor's Office to investigate 21 of them for alleged wrong doing. Page 6

S African boycott

A nationwide consumer boycott of white-owned South African shops had a mixed response, with some shops reporting a 90 per cent drop in sales while others said effects were small. Page 6

Danish ship fire

Two people were killed and four injured when a fire broke out on a Danish ferry bound for Britain. Page 2

Lockerbie inquiry

Investigations into the bombing of a Pan Am Boeing 747 over Lockerbie, Scotland may point to a company link with the arrest of 14 Palestinians in West Germany, according to a British investigator.

Danube swim

Eighty-six East Germans swam the river Danube illegally to Hungary from Czechoslovakia on their way to the West.

Nicaraguan policy

Nicaragua's ruling Sandinistas promised to shift resources from defence to agricultural co-operatives and agro-export production. Page 6

Rembrandt's bones

Dutch scholars have excavated a grave under the floor of an Amsterdam church in search of the bones of Rembrandt. Researchers believe he may have been buried alongside his son.

Business Summary

OPEC nears agreement on production ceiling

OIL ministers from the Organisation of Petroleum Exporting Countries (Opec) are putting the final touches on an agreement to raise the Opec production ceiling to 21m barrels a day. Page 24

RJR NABISCO, US tobacco and food group, sold most of its Del Monte processed food business for $1.475bn after Merrill Lynch, Wall Street investment bank, stepped in to rescue the deal. Page 25

INSTITUT Mérieux, French biotechnology company, lifted its offer for Connaught BioSciences, Canadian vaccines producer, to $796m. Page 25

HAYS, UK business services group, heralded imminent stock market flotation by unveiling a 30 per cent rise in profits. Page 25

BOND Corporation Holdings, Australian group owned by businessman Alan Bond, faces suspension of its shares from trading on the Australian Stock Exchange in October because it cannot produce its accounts on time. Page 26

TOKIO Fire & Marine, Japan's largest casualty insurer, announced plans to buy a 10 per cent stake in Delaware Management, US investment advisory company. Page 31

BRITAIN agreed to renew a three-year-old agreement with the World Bank to raise aid support for World Bank projects in developing countries. Page 10

JAPAN's Economic Planning Agency issued strong condemnation of high prices in Japanese shops. Page 4

TEXAS Instruments, US electronics manufacturer, has joined forces with International Business Machines to boost sales of automated manufacturing systems. Page 28

MONSANTO, US chemical company and Ciba-Geigy, Swiss competitor, held informal discussions on building waste treatment incinerator in Britain. Page 14

LOMAS Financial, Dallas-based real estate and financial services business, has filed for Chapter 11 bankruptcy protection after the failure of a three-month effort to renegotiate debt burden. Page 26

ELECTRICITÉ de France (EdF), French power supplier, is awaiting final European Commission judgment on attempts to sell surplus of nuclear-powered electricity at cheap rates. Page 3

EDWARD Erdman, London chartered surveyor, is to merge with Auguste-Thouard, French property advisers. Page 14

AUSTRALIA's domestic airlines and pilots, locked in a six-week pay battle, were last night reviewing their positions after a move by Industrial Relations Commission to arbitrate the dispute. Page 6

FIVE foreign consortia are expected to submit proposals to supply Indonesia with a digital switching system, worth up to $1bn. Page 10

ROCKWELL, California defence contractor, is pulling out of contract to run Rocky Flats nuclear weapons plant for the US Government, alarmed by threat of criminal prosecution over its handling of perilous waste. Page 28

ADOLPH Coors Company of Colorado is to buy most of the brewing assets of Stroh Brewery, US rival, to secure national position as a national force in beer market Page 28

BANCO do Brasil, Brazilian bank, has awarded staff 152 per cent pay increase, raising fears of an upsurge in similar pay demands. Page 6 **CITY** of London police said more than half the City institutions questioned in a crime survey had been the victims of fraud. Page 12

Concerted sales by G7 central banks push dollar lower

By Simon Holberton and Patrick Harverson in London and Anatole Kaletsky in New York

CENTRAL BANKS of the Group of Seven leading industrialised nations mounted a concerted intervention to sell the US dollar in Far East and European markets yesterday, leaving it well down on the levels of last week.

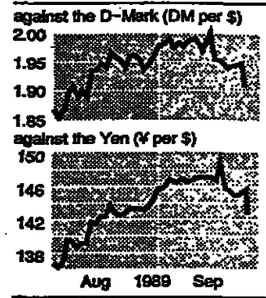
The intervention, which in London left the dollar 4.5 pfennigs and Y3 lower at DM1.9055 and Y142.65, was designed to back up with actions the sentiments of the G7 communiqué on the dollar, issued at the weekend in Washington.

The dollar fell most steeply in Tokyo, where the Bank of Japan and the US Federal Reserve had sold the US currency heavily. At the start of European trading, the central banks of nine European countries, including the West German Bundesbank and the Bank of England, again sold dollars.

In their communiqué, the G7 said it thought the dollar was overvalued in terms of underlying economic conditions. The G7 repeated its April pronouncement that a rise in the dollar would be unsettling for the world economic prospects as would an "excessive" decline.

Economists, however, disagreed. They noted that the US trade deficit was narrowing, the Fed has made good progress in lowering US inflation, and that the US economy was now growing at a more sustainable rate.

Dollar



Mr Paul Chertkow, economist at Drexel Burnham Lambert in London said: "The dollar is trading in the lower third of its trading range for the 1980s. Who's kidding whom here?"

As one senior currency dealer explained: "In the short term these interventions can be effective in holding back the dollar, but in the long term interest rate differentials need to be narrowed. This communiqué from G7 means nothing unless interest rates are changed."

In Washington, Mr Karl Otto Pöhl, president of the Bundesbank, hinted that the central bank's interest policy was under review in light of the strength of the West German economy. Analysts believe the Bundesbank will increase its main interest rates, probably next month.

The dollar stabilised at its new lower level in active New York trading, as foreign exchange traders reported that underlying support for the dollar remained intact.

Some currency analysts noted that, while the G7 was clearly trying to inflict losses on over-enthusiastic currency speculators, the communiqué also offered comfort to long-term dollar holders by saying that any "excessive" decline of the US currency would be resisted. The size of the Federal Reserve's intervention in the US market was also judged unimpressive.

Dealers saw yesterday's intervention as part of a continuing game played out between the central banks, who wish to manipulate the markets to keep currency movements within pre-determined ranges, and the commercial banks, who speculate on currency movements for short term gains. The central banks sell dollars into the market, and the commercial banks, holding speculative trading positions, obligingly get out of dollars.

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Brady blocks accord to raise IMF resources

By Peter Norman, Economics Correspondent, in Washington

MEMBER countries of the International Monetary Fund yesterday failed to agree on plans to increase the resources of the IMF, but they said it was a matter of the "highest priority" that work continue on the problem, with a decision expected before the end of this year.

After a meeting of the fund's policy-making Interim Committee, both Mr Michel Camdessus, IMF managing director, and Mr Onno Ruding, the Netherlands Finance Minister and Interim Committee chairman, said progress had been made towards increasing resources through an increase in quotas or IMF subscriptions.

A communiqué issued after yesterday's meeting of the 22-nation committee said there was "widespread support ... on the need for a substantial increase in quotas." However, the statement also noted that a few members believe the fund has adequate resources at present to fulfil its responsibilities.

The US blocked consensus on whether to raise quotas from their current level of 90bn Special Drawing Rights ($111.6bn). Mr Nicholas Brady, US Treasury Secretary, told members late on Sunday that a "fully persuasive case has not been made that there is a pressing need for resources at this time."

He said the committee must pay heed to resistance among US taxpayers to a quota increase. They would have to be convinced that there is a pressing need for additional funds and that the money would be used efficiently and effectively. However, he said the US would give its "full and thorough" attention to the quota issue and make a decision by the end of the year.

It is generally believed that a US decision on quotas will have to wait until after the mid-October deadline for deciding on cutting US Government programmes under the *Gramm-Rudman-Hollings* budget deficit reduction law.

Mr Ruding said he believed the eventual quota increase would probably be around 67 per cent. Britain, however, surprised other committee members by calling for only a 20 per cent rise.

Continued on Page 24

ACTION ON ARREARS

THE IMF is to take tough action against members which deliberately run up arrears in payments to it, Mr Michel Camdessus, the managing director, said yesterday. Separately, Venezuela agreed with banks on a $600m loan which will enable it to erase interest arrears to banks. Poland was offered an economic programme by the International Finance Corporation as Mr Nigel Lawson, UK Chancellor of the Exchequer, likened Poland's task to the rebuilding of the German economy after the Second World War Page 8

Sightseeing amid the dust and ruins of Beirut

By Lara Marlowe in West Beirut

AS Lebanon's latest peace took hold yesterday, the residents of Beirut revelled in a unique form of local tourism: they came to see the ruins.

Hooting cars clogged the newly-reopened Avenue de Paris, the seafront boulevard that curves around the tip of the Ras-Beirut peninsula. Before them – on a corniche whose Mediterranean beauty once vied with that of Cannes or Nice – was a scene of devastation that amazed even hardened civilian veterans of Lebanon's 14-year civil war.

The pink stucco riviera hotel, with its balconies and sliding windows all glassless, stands like a sentry in front of the moonscape which formed the centre of six months of artillery battles between the forces of the Lebanese Christian leader, General Michel Aoun, and Syrian guns.

Old, mustachioed Lebanese men carrying brooms flick dust ineffectually from the lanes still closed by debris. The dun-grey powder raised by countless shells still coats a half-mile stretch of uprooted highway, decapitated palm trees and twisted carcasses of former coffee vans.

The glories of this part of town faded long ago. But during the summer, at the height of the artillery duels, it gained another reputation as the home of "Abu Abdo" – the nickname given by the Syrian soldiers to their 130mm field gun. Abu Abdo's propensity for opening fire on ships sailing into Christian harbours attracted nightly barrages of return shellfire from Gen Aoun. All but the most tenacious residents abandoned the area, now its ruin is complete.

Elsewhere in Beirut, despite an intense but relatively brief burst of shelling apparently aimed by Syrian guns at a village outside the capital yesterday morning, it is almost a case of business as usual. The money speculators are back in action on Hamra Street, West Beirut's main shopping district. Even on Sunday, with the shops shuttered as usual, dozens of money-changers walked the pavements, bidding the Lebanese pound, which had been rising all last week on predictions of peace, still higher against the dollar.

At 9:30 yesterday morning, word came from the central bank that the Sunday speculators had been right. The dollar

Continued on Page 24

Bush offers 80% cut in chemical weapons

By Peter Riddell, US Editor, in Washington

PRESIDENT GEORGE Bush yesterday challenged the Soviet Union to agree to large mutual reductions in chemical weapon stockpiles and proposed an 80 per cent cut in US stockpiles as part of a wide-ranging package of measures.

Mr Bush's initiative, announced during his address to the UN General Assembly in New York, is part of a new US drive to show the Administration's commitment to arms control talks.

It follows the progress made in discussions over the weekend on strategic arms and nuclear testing between Mr James Baker, the US Secretary of State, and Mr Eduard Shevardnadze, the Soviet Foreign Minister.

The US has an estimated 27,000-28,000 metric tonnes of chemical blister and nerve agents at eight US sites and one in West Germany. The German stocks are due for withdrawal by 1992. An incinerator for destroying old stocks is in place at Tooele, Utah, and others are scheduled. US production restarted in 1987 on "binary" shells. A bomb project has been delayed and work has also been done on multiple-launch rockets.

The Soviet Union claims to have 50,000 tonnes but Western experts say 300,000. They also contest Soviet claims that they have stopped production and have no stocks abroad. Multiple sites include the Shikhany testing ground, 500 miles south-east of Moscow. Completion of a destruction facility at Chapayevsk was announced earlier this year.

The latest proposals come after widespread criticism within the US that the Administration has been too slow and timid in its relations with the Soviet Union and needs to be more active. Mr Bush wants to be seen to be taking a lead. His speech had echoes of the address to the UN last December by Mr Mikhail Gorbachev, the Soviet leader, when he announced sizeable cuts in conventional forces in Europe.

Mr Bush highlighted "welcome" new attitudes prevailing between the US and the Soviet Union on a range of arms control issues.

He looked forward particularly to his summit meeting with Mr Gorbachev in the US next year.

Mr Shevardnadze welcomed Mr Bush's address as "constructive" and took a positive view of the proposals.

Mr Bush warned of the danger to peace from regional conflicts and, in particular, the possession of chemical weapons by 20 countries which, he said, posed a growing and unacceptable threat.

In an effort to inject fresh momentum into the 40-nation negotiations in Geneva, Mr Bush said the US was prepared to take steps to rid the world of such weapons before a treaty banning them is signed.

He said the US was "ready to begin now. We will eliminate more than 80 per cent of our stockpile even as we work to complete a treaty, if the Soviet Union joins us in cutting chemical weapons to an equal level, and we agree on the conditions, including inspections, under which stockpiles are destroyed."

Given the levels of the two countries' stocks, the Soviet Union would have to make much larger proportionate cuts to reach equal levels.

Mr Bush also proposed that

Continued on Page 24

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AT&T prepared for move into telecom services with Istel link

By Terry Dodsworth and Hugo Dixon in London

AMERICAN Telephone & Telegraph, the largest US telecommunications group, is set to move into the market for advanced telecoms services – such as electronic mail and trading – via a tie-up with Istel of the UK.

Istel, sold out to its employees by the Rover car group three years ago for £35m ($56m), is now worth about £170m. A deal with AT&T could turn several of its senior managers into multi-millionaires.

Details of the plans are expected to be announced in London later today.

Istel is one of Europe's largest providers of advanced telecoms services and is also an expert in factory automation.

Since being hived off from Rover, the company's turnover has grown at the rate of about 20 per cent a year, with sales increasing from £61m in 1986 to £85m last year.

Over the same period, pre-tax profits jumped from £2.1m to £3.3m, while its workforce has risen from 1,300 to 1,800.

Istel has benefited from the rapid expansion of the information services market. But it feels it is missing out on opportunities, particularly overseas, through lack of capital.

For the past 12 months, the company has been discussing various alternatives for expansion, including a flotation on the London Stock Exchange or link-ups with larger groups willing to back it with their cash.

Istel has been anxious to make acquisitions in the belief that it needs to develop its market position rapidly before other competitors become established.

A tie-up with Istel would enable AT&T to establish itself in a market from which it was excluded until earlier this year by US anti-trust regulations. AT&T is the biggest operator of long-distance and international telephone lines in the US and the world's largest maker of telecoms equipment.

Since the company was broken up in 1984, it has been searching for opportunities for expanding overseas. Although its initial efforts had little success, it reached agreement earlier this year to take a minority stake in Italtel, Italy's largest telecoms manufacturer.

Istel would be a platform from which AT&T could launch an assault on the European advanced services market, which is due to be liberalised under European Commission plans.

At present, there is considerable latent demand for cross-border advanced services, but the market has failed to take off because of red tape at a national level.

The only significant international players in this market are General Electric Information Services and International Business Machines of the US. British Telecom made a push into the market in July via the acquisition of Tymnet, a leading US provider of advanced services, for $355m.

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MARKETS

STERLING
New York
$1.617 (1.572)
London:
$1.6085 (1.5755)
DM3.065 (3.0725)
FFr10.3775 (10.385)
SFr2.565 (2.56)
Y229.5 (same)
£ index 91.9 (91.6)

GOLD
New York: Comex Dec
$374.8 (370.7)
London:
$367 (365.25)

N SEA OIL (Argus)
Brent 15-day Oct
$17.475 (17.52)

Chief price changes yesterday: Page 25

DOLLAR
New York
DM1.89925 (1.9515)
FFr6.4375 (6.595)
SFr1.6478 (1.6915)
Y142.15 (145.95)
London:
DM1.9055 (1.9495)
FFr6.4525 (6.5925)
SFr1.6565 (1.689)
Y142.65 (145.6)
$ index 70.4 (71.6)
Tokyo close: Y142.95

US CLOSING RATES
Fed Funds 9 1/2% (8 3/4)
3-mo Treasury Bills:
yield: 8.08% (8.013)
Long Bond:
98 2/32 (99 1/32)
yield: 8.29% (8.189)

STOCK INDICES
FT-SE 100:
2,359.6 (−10.6)
FT Ordinary:
1,937.3 (−12.2)
FT-A All Share:
1,197.67 (−0.4%)
FT-A long gilt yield index high coupon:
9.55 (9.58)
FT-A World Index:
152.21 (+1.0%)
New York
DJ Ind. Av.
2,659.19 (−22.42)
Tokyo: Nikkei
34,960.71 (+188.92)

LONDON MONEY
3-mo interbank close:
13 21/32–13/32 (13 23/32)

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Pol Pot's shadow looms as the Vietnamese leave Cambodia

The Vietnamese-backed government of Hun Sen (left) faces guerilla resistance as the Vietnamese occupation of Cambodia ends. The civil war looks set to continue with even more loss of life. Page 4

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EUROPEAN NEWS

Court orders strikers to stop occupying concrete linings plant

Channel tunnel work set to restart

By William Dawkins in Paris and Andrew Taylor in London

WORK ON the French end of the Channel tunnel was expected to resume yesterday evening after a local tribunal ordered striking workers to stop occupying a plant producing concrete tunnel linings at Sangatte, near the tunnel works.

Work on two of the three tunnels was slowed seriously at the weekend by a strike over wages and conditions until Transmanche Link, the consortium building the link, obtained an injunction against the blockade of the plant.

The trouble began last week when about 270 of the 450 employees at the tunnel lining plant stopped work. The strike initially had no effect, because Transmanche Link simply drew roofing supports from its own stocks, amounting to two months' worth or 4km-5km of tunnel. It became more serious when 21 workers occupied the plant and refused to allow the roofing supports to be moved to the nearby tunnel entrance.

Transmanche Link applied for an injunction from the nearby Boulogne-sur-Mer Tribunal, which yesterday ruled that the men must stop obstructing the work or pay fines of FFr200 ($20) per hour. The hold-up provided a warning of the precariousness of labour relations on a large construction project like this.

The share price of Eurotunnel, which will own and operate the tunnel, has fallen by well over a third since July when the group announced it would need to go back to its bankers for up to £1bn because of escalating costs of construction delays. Eurotunnel is under pressure from bankers and its contractors to raise at least part of this money from existing shareholders. Yesterday the share price slipped a further 10p to 668p following news of the strike.

The cost of the tunnel has soared since Eurotunnel forecast in November 1987 that it would cost £4.87bn. Almost a year later it raised this estimate to £5.22bn, partly because of tunnelling delays.

Since then Eurotunnel has agreed to pay extra bonuses to contractors if new construction deadlines are met, while the cost of building shuttle trains will be at least £300m higher than expected.

Barschel took own life, Swiss inquest finds

By David Marsh

MR UWE BARSCHEL, the former Schleswig-Holstein Premier found dead in Geneva two years ago, killed himself with an overdose of barbiturates, according to the inquest report released in Switzerland yesterday.

The findings look likely to put an end to speculation, furthered by Mr Barschel's family, that he was murdered.

The discovery of Mr Barschel's body in a Geneva hotel represented the gruesome high-point of a political "dirty tricks" scandal centring on the dead politician's efforts to blacken the name of Mr Björn Engholm, his rival in a local election.

Soviet radicals put multi-party system on parliamentary agenda

By a Correspondent in Moscow

RADICAL DEPUTIES to the Supreme Soviet, the USSR's revamped Parliament, are to introduce a bill to legalise a multi-party system. Such a move has been condemned in the past as "nonsense" by President Mikhail Gorbachev, and conservatives in the leadership see it as destabilising.

The bill will subject to public debate a topic which has so far remained out of court, except in a few daring articles. Its author, Mr Sergei Stankeyevich, said he hoped to present a draft in November.

The proposal is part of a law to regulate public associations which is being prepared by a special committee of the Supreme Soviet, of which Mr Stankeyevich is a member. The law would allow groups, including the informal popular fronts of the Baltic and Transcaucasian states, to apply for political status. It does not, however, tackle the question of free elections.

On Sunday, the main points of the proposal were adopted by the so-called Inter-Regional Group, an organisation of radical deputies whose leaders include Mr Boris Yeltsin, the former Moscow party chief.

Mr Stankeyevich said it would not be necessary to abolish Article 6 of the constitution guaranteeing the Communist Party a "leading role" in society. In effect, however, the proposal would amount to the same thing. Last week, the Lithuanian Communist Party published a programme implicitly accepting the possibility of multi-party elections, by renouncing its leading role and gaining independence from the Soviet party.

The latest proposal shows that the split between radicals and conservatives over the role of the Supreme Soviet is as wide as ever. On the opening day of the new session yesterday, Mr Gorbachev criticised the behaviour of some radical deputies and tried to focus attention on day-to-day business, particularly the economy.

Suspected arson at BNL

By John Wyles in Rome

ITALIAN POLICE were investigating yesterday a suspected arson attack on a Rome branch of the Banca Nazionale del Lavoro, Italy's largest publicly-owned bank, which is at the centre of an international scandal over $3bn worth of improper export loan commitments to Iraq.

A BNL spokesman denied that the branch contained any bank archives. The fire, discovered early yesterday, had destroyed thousands of blank forms used in normal operations with the public.

The blaze appears to have been started by someone breaking a window of special protective glass and tossing inflammatory material into the bank. Police were studying a claim by a group calling itself the "Huey P Newton – A Lubowsky Cell" to have started the fire in protest against Italian economic links with South Africa.

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Poles tread carefully

POLAND acknowledged in the United Nations yesterday that relations with Moscow were the key issue of its current political strategy and said existing treaties would be respected, writes Michael Littlejohns. But its new, non-Communist Foreign Minister said such respect "does not impose any limitations regarding the choice and change of the system of government."

Genscher favours confederation of two German states

By David Marsh in Bonn

THE West German Foreign Minister, Mr Hans-Dietrich Genscher, has lifted a corner of the veil over his vision for the long-term future of Europe by coming out in favour of some form of confederation between the two German states.

In an interview published yesterday, he said the Bonn Government needed to "hold on to [its] course" in its policies towards East Germany, and warned against any attempt to "destabilise" the Communist state.

Rejecting demands for more active steps to promote German unity made by some members of the centre-right coalition, Mr Genscher defended the policies of the Social Democratic Party, which, when in government during the 1970s, started the slow process of building bridges with Eastern Europe.

Mr Genscher repeated his often stated view that the forging of political links between East and West Germany should take place as part of an overall breaking down of barriers between communist and capitalist Europe.

Pressed in the interview with Der Spiegel magazine to be more specific than usual about the possible course of the two German states, he said: "We should bring together the approaching European federalism with our German federalism. A European federalism and a German federalism, if they could cover the same ground, [would] open new forms of co-existence."

Mr Genscher did not rule out, for instance, that the two states could jointly take over administrative tasks in areas such as the environment, transport and post services.

He denied that there were two German nations – one socialist and one capitalist – but he took issue with the word "reunification".

This, he said, assumed that the future Europe would be composed of national states. In fact, the European Community was developing in a direction where member states were increasingly renouncing sovereignty.

He claimed, in a passage which would certainly not win favour everywhere in the Community, that "no-one" wanted to return to the centrally-managed form of statehood.

Reuter adds: East Germany's leader, Mr Erich Honecker, returned to work yesterday after six weeks' absence through illness. Television news showed him receiving two new ambassadors. He looked thinner and walked stiffly, but smiled and appeared attentive as he spoke to the envoys.

The country's hardline leadership, meanwhile, angered at the growing popularity of the new political reform group New Forum, ordered it to stop its activities immediately.

Relief at hand for Eurocourt

By David Buchan in Brussels

THE European Community yesterday gained a new institution when the 12 members of the Court of First Instance were sworn in to their task of relieving the European Court of Justice of its growing caseload of competition suits and relatively petty EC personnel disputes.

But, at the insistence of the Commission and of one member state, France, the new first-tier court will not deal with dumping suits for at least the first two years of its life. The Commission argued that those of its officials dealing with anti-dumping actions were overstretched enough without having to appear before two courts – first in the lower-tier court, and then probably in the European Court – to defend their imposition of dumping fines. Judgment by the Court of First Instance can be appealed against, but only on points of law.

But even though it will not deal with time-consuming dumping cases, it is expected to lighten the European Court's increasingly heavy caseload. It now takes two years to deal with a case, compared to only nine months a decade ago.

Many of these cases simply concern staff disputes among Eurocrats, who have no other court to settle them in, but whose personnel altercations hardly require the attention of what is the Community's "supreme court".

Economic forecasts cast shadow over negotiations on Dutch coalition

By Laura Raun in Amsterdam

AS Mr Ruud Lubbers, the caretaker Dutch Prime Minister, struggles to form a new government the bargaining partners may find themselves boxed in by the latest macroeconomic forecast for the Netherlands.

Mr Lubbers' Christian Democrats began haggling with the Socialists in earnest yesterday in an effort to form a new centre-left coalition. The horse trading is expected to become more difficult this week as cabinet posts are distributed and fiscal policy is sketched out.

Both the Christian Democrats and the Socialists have promised to spend more on cleaning up the environment and padding out the welfare system while still cutting the huge budget deficit. But slower economic growth may force them to make painful choices.

Cleaning up pollution has taken on a messianic urgency and cost estimates are rising daily. An equally high priority is placed on fattening up the welfare system after seven lean years under a centre-right Government.

Mr Lubbers, whose austerity policies in his first two terms were made more palatable by robust economic recovery, insists that budgetary discipline be maintained. But restraint will be more difficult if, as expected, the rate of growth slows.

Gross national product is expected to expand by a 4.5 per cent this year, the fastest since 1976, thanks to healthy world trade, according to the semi-official Central Plan Bureau.

In its latest macroeconomic forecast the bureau predicts that visible exports will remain a motor of growth, rising 6.5 per cent this year, and business investment will climb 10 per cent, adding fuel to the fire. Consumer spending is forecast to swell 3.5 per cent in 1989, the most in a decade.

But GNP growth is forecast to drop to 3 per cent in 1990 and to an average of 2.5 per cent annually through 1994.

Exports, consumer spending and business investment are all forecast to fall considerably in the early part of the next decade in spite of huge income tax planned for next year.

Inflation is seen rising as workers feel more secure in their jobs.

Much uncertainty surrounds the National Environment Plan, an ambitious programme to slash all pollution by at least 70 per cent by 2010 which is due to be adopted next year.

Total spending by the Government, industry and consumers to clean up pollution was originally expected to double to Fl 16bn (£4.6bn) a year by 1994 from Fl 8bn in 1988 but that price tag is now expected to be much higher.

Under "the polluter pays" principle industry and consumers were supposed to cover about 80 per cent of the costs, but official estimates already suggest that the Hague's share of the burden will rise. Environmental spending by all levels of government in 1994 will probably top Fl 10bn, double current levels.

Meanwhile, the Socialists want to scrap the planned tax cuts to pay for a Fl 20bn package of social spending on welfare benefits, unemployment, education and health care.

Mr Onno Ruding, caretaker Finance Minister and architect of the earlier austerity policies, argues that the gaping budget deficit must be slashed because state debt will soar to 90 per cent of GNP in 1990, rising more rapidly than in any industrialised country in recent years.

Mr Ruding insists that more Dutchmen must work because every employed person has to support one idle one – the lowest worker participation rate in the EC except Ireland.

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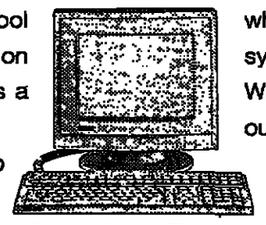

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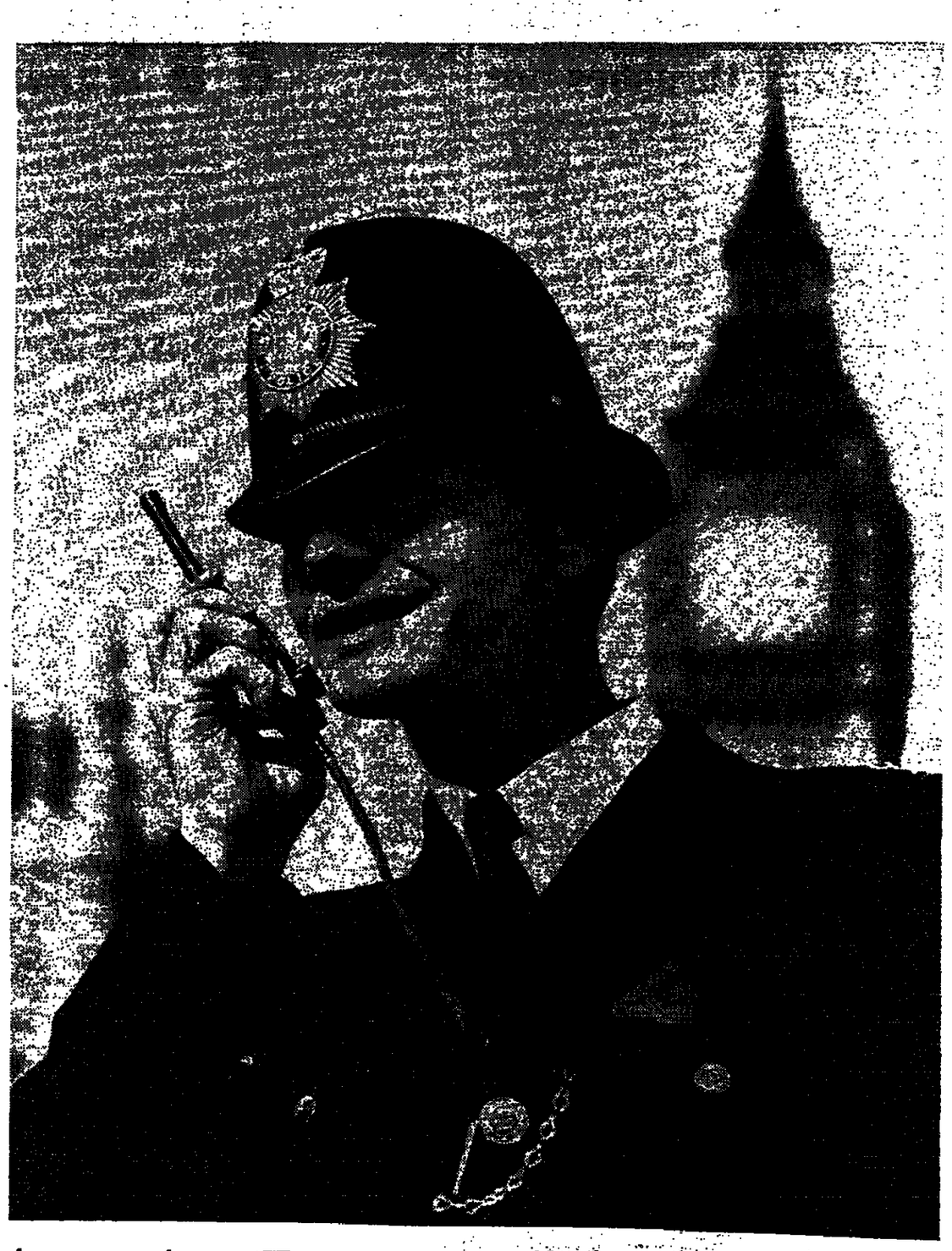

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Authoritative grounds for unity in Europe's skies

Paul Betts on calls for an end to air traffic chaos

THE OLD airline joke "breakfast in London, lunch in New York, baggage in Rome" has been replaced by the wisecrack "Breakfast in London, lunch at Heathrow."

For airlines, however, there is little to laugh about in the belated realisation on the part of European governments and civil aviation authorities of the need to rationalise Europe's creaking air traffic control system and in the problems of airport congestion.

Two comprehensive studies published recently illustrated the problem. A report by the German Airspace Users Association estimates the total cost to Europe of air traffic control delays and disruptions at $5bn a year. The Association of European Airlines (AEA) says it is $4.2bn.

The International Air Transport Association (Iata) is now completing a review and intends to use its findings as a further lever on governments to take action before the situation gets worse still.

"The biggest problems we are finding are on the ground with rising airport congestion," explains an Iata official.

"Airport capacity in the longer term is the real bottleneck of the aviation industry," adds Mr Karl-Heinz Neumeister, the AEA secretary general.

While the Iata study is expected to stress that the crucial issue in the future for the European airline industry is inadequate ground infrastructure (already 12 of the principal European airports are classed as seriously congested), the immediate trouble is in the air.

The problems of European air traffic control are not new. Nearly 30 years ago, Eurocontrol was set up with the aim of assuming responsibility for control of cross border flights in European upper airspace and to serve as a vehicle for co-operation and harmonisation of the system. But several European countries refused to grant the Brussels-based agency authority over their airspace.

As a result, air traffic control in Europe is still a patchwork of 22 systems operated out of 44 centres. By contrast, the US, which controls nearly twice the airspace, operates a single system through 20 centres.

The problems in Europe are made worse by the different standards and quality of technical equipment and radars operated by the different air traffic control centres. Good radar coverage enables aircraft to fly closer. This is the case in northern European airspace where aircraft can fly within 5-10 nautical miles of each other. But in other parts, such as Greece or the southern Mediterranean, aircraft must fly 60 nautical miles apart because of poor radar coverage.

At the same time, investment in air traffic control systems in Europe has lagged way behind spending in this field in the US. Although some countries have launched big individual air traffic control investment schemes, such as Britain's £600m programme, other countries are still reluctant to inject large amounts of public funds into improving their systems. Total new air traffic control investment is Europe is estimated at $2.8bn. By comparison, the US is projecting additional investments of $16bn.

Apart from the problems of industrial action by air traffic controllers or maintenance staff in one country feeding through the whole system and causing extensive disruptions, the large amount of airspace reserved for the exclusive use of military aircraft is another handicap in Europe. Commercial aircraft must fly around these military zones whether or not they are in active military use.

The result is that the number of delays has continued to rise in Europe. The AEA reported last week that 6 per cent more flights were delayed in the first seven months of this year compared with the same period last year and that flight delays in Europe had reached a record, with one in four flights held up by more than 15 minutes.

The costs to airlines have also been growing. British Airways says air traffic control inefficiencies cost the airline around £20m a year. Lufthansa says they cost the West German carrier DM90m (£30m) last year.

But it is not just the cost which is alarming airlines. They argue the delays are undermining their individual image and are reinforcing the growing public view that the age of comfortable, reliable air travel is over.

In response to growing consumer irritation, Lufthansa has been issuing a small leaflet to its passengers when they are stranded at an airport because of air traffic delays. "Dear Passenger," it laconically says, "We sincerely regret that in these weeks and months we shall not always be able to get you to your destination on time. All major airlines are affected by the present capacity bottlenecks in the air and on the ground ...." Many airlines have also extended by five minutes or more the scheduled flight time of some destinations on their timetables to make eventual delays seem shorter.

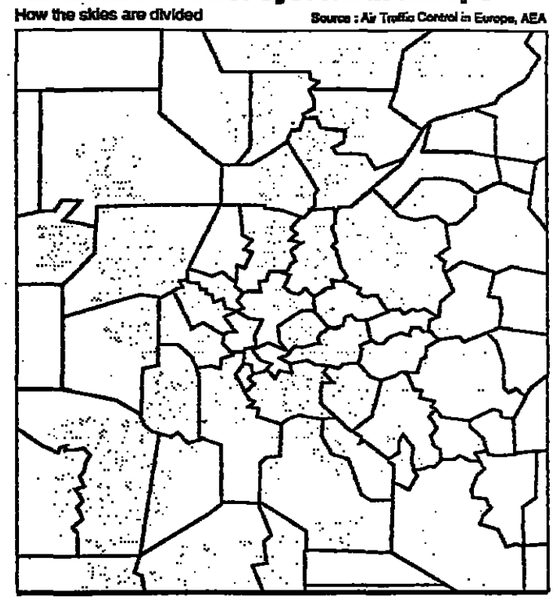
European airlines have now lost patience and have decided to mount a lobbying exercise to persuade European governments to take radical steps to improve the situation.

"Sovereignty is now threatening to kill the airline industry in Europe," says Mr Neumeister of the AEA, whose recent report recommends setting up a single integrated European air traffic control system jointly owned by governments and airlines and operated with a modern business-like approach.

Air traffic control system in Europe

How the skies are divided

Source : Air Traffic Control in Europe, AEA



The AEA hopes its report will stimulate a common political will in Europe to establish a more rational air traffic control system. Governments have started to address the issue by agreeing this summer to set up a £40m air traffic flow control system in Brussels to improve advance route planning across Europe and regulate the flow of air traffic by using a sophisticated new computer.

But the airlines regard this as only a first hesistant step to improving the overall system since in-flight control of aircraft remains in the hands of individual national air traffic authorities.

"Flow management is a bit like food rationing in the war," says Mr Neumeister. "It does not resolve the fundamental issue and need for a unified air traffic control system."

France awaits EC ruling on cheap N-power sales

By William Dawkins in Paris

THE FIRST step in an attempt by France to sell its surplus of nuclear-powered electricity to industry at cheap rates is expected to receive a final judgment from the European Commission shortly.

Talks between French energy officials and a divided Brussels executive have been re-opened in an attempt to solve a dispute over the legality of a profit-sharing and price accord between Pechiney, the state owned aluminium producer, and Electricité de France (EDF).

The French authorities are understood to have offered to make minor changes to the deal and to make its terms clearer to Pechiney's suspicious competitors. This has been welcomed in Brussels as a possible step towards agreement. The Commission has the power to block or change the deal.

The central issue is the favourable terms under which EDF agreed last November to back the construction of what will be Pechiney's largest smelter, a 200,000 tonne plant near Dunkerque in northern France. The outcome will set the terms under which EDF offers similar attractions to other big industrial companies, of which several are under consideration, according to an EDF spokesman.

In return for guaranteeing to purchase all its power from a nearby EDF nuclear generator, Pechiney is being offered electricity at a price suspected to be well below that offered to normal customers. EDF has taken a 49 per cent stake in the FFr4.5bn (£434m) project, which is due to open in 1991, and is offering power at a floor price linked to that charged by low-cost hydroelectric plants in Norway and Canada. Under the agreement, the price would also move upwards in line with the Dunkerque plant's profits, said an EDF official.

The scheme drew complaints, soon after it was announced in November, from British Steel and a West German tin-makers' association, alleging that it contravened EC rules against anti-competitive agreements. Both fear it could give the French company an unfair advantage, at a time when aluminium is increasingly taking market share from tin as a packaging material.

The Dunkerque mill will not add much to Pechiney's 360,000 tonne total capacity because it is planning to phase out more than 80,000 tonnes of output in southern France at the same time.

Sir Leon Brittan, the EC Competition Commissioner, recommended taking legal action, but colleagues persuaded him to open one last round of talks. The outcome will be of the highest importance to EDF's attempts to tackle its 5-8 per cent surplus of nuclear electricity capacity, the legacy of an over-ambitious power station building programme. If EDF cannot tempt more big industrial users to buy its power, the surplus will last for seven to eight years, officials estimate.

The EDF deal, helped by a FFr1bn state capital endowment for Pechiney, which is not being questioned, is the electricity authority's first attempt to set up a joint venture of this kind. It already sells 11 per cent of output abroad, mostly to Britain (EDF's biggest single customer), Switzerland and Italy.

However, it finds the potentially lucrative West German market almost blocked, thanks to the influence of the local coal industry and the environmental movement's distaste for nuclear power.

Pechiney already takes 10 per cent of all electricity produced in France, making it EDF's second biggest user after Britain.

Hungary thrashes out law for free elections

By Judy Dempsey in Budapest

DETAILS OF Hungary's forthcoming transition to a multi-party system, and of the electoral law that will govern the first contested voting since 1946, are expected to be thrashed out at a session of Parliament beginning today.

Under broad agreements reached last week between the Opposition Round Table (OKT) and the Hungarian Socialist Workers' (Communist) Party, the law will provide for a single chamber of 374 deputies, and no seats will be reserved for the Communists.

The legislators are expected to be chosen through a mixture of three systems:

- Some 152 will be elected in as many *constituencies*. Although they may subscribe to a party ticket, they will be elected as individuals. Candidates must secure 750 signatures in order to stand.

The election will be valid only if half the registered voters vote and if a candidate gains 51 per cent of the vote. Otherwise, a second round will be held within a fortnight in which the turnout must be at least 25 per cent. Those candidates who receive 15 per cent in the first round will be eligible to stand again. A relative majority will secure a seat.

- Another 152 seats will be distributed among 19 *"counties"* plus Budapest – but the electorate will be voting for parties. Seats will be allocated in proportion to the number of votes cast for each party.

Again, for voting to be valid, some 51 per cent of the registered electors have to go the polls or, failing that, 25 per cent in a second round.

- The remaining 70 deputies will comprise a *National List*, whose distribution will take into account the "wasted" votes of candidates who lost in the constituencies and of parties which received less than 4 per cent on the county level.

The electoral law is regarded by Communists as an exercise in damage limitation. Party officials yesterday indicated they would be pleased if they won 15 per cent of the vote.

Parliament will also discuss the date of the next presidential election, which could take place as early as November 25.

The most contentious issue of all could arise from calls by deputies for the transfer to the state of the Communist party's vast property holdings.

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Pol Pot's shadow looms as the Vietnamese leave Cambodia

How can the West exclude the brutal Khmer Rouge from power once Hanoi has pulled out? **Robin Pauley** reports

THE Vietnamese occupation of Cambodia ends today with the exit of the last of the 140,000 Vietnamese troops. That leaves the Vietnamese-backed government of Hun Sen with about 65,000 troops to fight it out against not more than about 60,000 guerrillas and probably a lot fewer.

As the war will be fought in the western and northern countryside and jungle many of the country's 7m people should not be too troubled by it and may not even be aware of it.

That is the theory, at least. Nothing could be less likely. Cambodia has had no luck in its 36-year history since independence and there is none around now. A civil war is already under way and seems likely to continue the country's ruination with more substantial loss of life.

The bloodshed will not be on the scale of the extermination carried out under the "killing fields" policies of the Khmer Rouge from 1975-78 but there will nevertheless be plenty more killing in Cambodia's fields in the coming months.

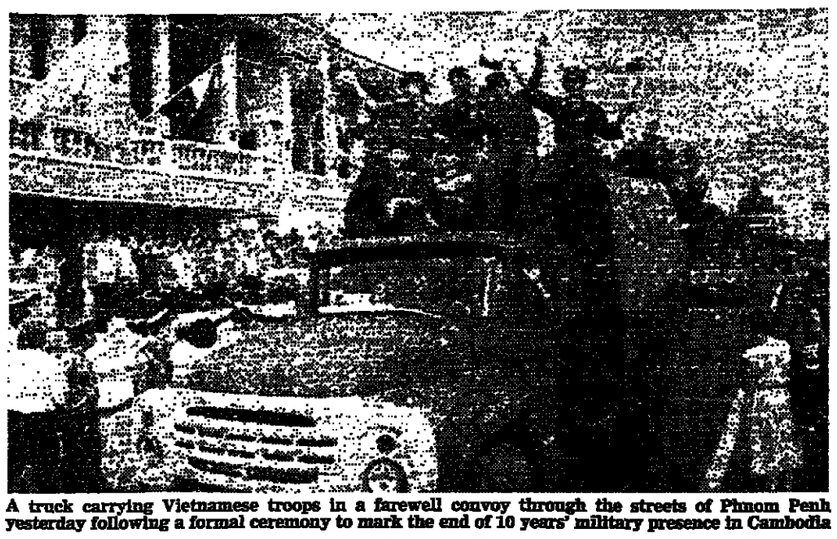
Hun Sen's government in Phnom Penh has around 100,000 militamen, some of them volunteers but many the result of conscription of adults and children alike. Hun Sen looks increasingly confident and articulate, has impressed western leaders and is showing flexibility, most notably by reinstating Buddhism as the country's official religion. But his rag-bag forces will be no more able to eliminate the guerrillas force in the jungle and mountains than the 11-year Soviet-backed occupation by the renowned Vietnamese Army was able to.

It is equally unlikely that the guerrillas will be able to capture the urban areas. The Khmer Rouge have never managed to capture a single town, large or small, since they were toppled from power by the Vietnamese in 1978.

Their forte is villages and hamlets where most of the population live and which are the backbone of the largely agricultural economy.

So the immediate outlook seems to be for more inconclusive fighting, particularly as the rainy season is currently in full downpour, making progress by either side even more difficult. Towards the end of the year the dry season will be a bigger test, particularly as both sides will have been "on their own" for some months.

The hope in the West is that this experience will concentrate the minds of both Hun Sen and of Prince Sihanouk, who, seeing the prospect of a long and violent stalemate, will agree to the resumption in the



A truck carrying Vietnamese troops in a farewell convoy through the streets of Phnom Penh yesterday following a formal ceremony to mark the end of 10 years' military presence in Cambodia

spring of the Paris peace conference which ended in failure in August.

The problem is that each side is not really on its own. The guerrilla resistance, including the Khmer Rouge, receives substantial direct and indirect support from China, Thailand and the West, including the US. Hun Sen still has the backing of the Vietnamese and Soviet governments and while neither would now actively intervene, military and non-military aid continues.

This puts the West in the position of supporting, together with China, the brutal Khmer Rouge. This position has its roots in the defeat of the US in the Vietnam War, a humiliation which US administrations have had difficulty in accepting. When the Vietnamese invaded Cambodia the US supported the guerrilla resistance on the basis of resisting an occupation and, more important, resisting a Communist occupation and, most important, resisting a Vietnamese Communist occupation.

The problem of supporting the Khmer Rouge was masked by the fact that the aid was going to all three resistance groups. One of the other two is the pro-western Khmer People's National Liberation Front led by Mr Son Sann, a highly respected former prime minister. He is elderly and has only about 12,000 men; his worth on the battlefield is considerably less than his diplomatic weight abroad. The third group is Prince Sihanouk's own royalist group comprising about 18,000 men, with some battle honours to its name, but much less accomplished in guerrilla warfare than the Khmer Rouge.

The West's position is complicated by the fact that China is also continuing its arms supplies to the Khmer Rouge and if the West were to desist unilaterally it could leave the way open for exclusive Chinese influence over the outcome of the civil war.

Not surprisingly, this state of affairs is causing great alarm to Asean, the Association of South East Asian States, most particularly Thailand which has a long border with Cambodia.

The problem is that China's traditional hostility to Vietnam is not improving much in spite of better Sino-Soviet relations, and supporting the Khmer Rouge is an important counter to Vietnamese influence.

China remains the key. There were signs a year ago that China was becoming embarrassed at the international opprobrium resulting from its support of the Khmer Rouge and was distancing itself a little, concentrating more on Prince Sihanouk. But that seems to have changed; the Chinese appear increasingly impervious to influence from abroad. But they remain under a commitment given to the Soviets that they would participate in a multilateral cessation of arms supplies "in parallel with" the ending of the Vietnamese occupation.

Thailand's position, while less pivotal than China's, is also confused. Thailand wants peace and has been one of the most active match-makers during recent times. Yet it also finds itself supporting the Khmer Rouge; many Cambodian border camps sheltering more than 300,000 refugees in Thailand are controlled by Pol Pot's men and all the main arms and supplies conduits to the Khmer Rouge guerrillas are through Thailand. The pragmatic judgment in Bangkok is that trying to expel the Khmer Rouge would destabilise the border region.

Hopes of a long-term peaceful solution rest on nearly everybody changing their allegiances so as to exclude and defeat Pol Pot. The chances look remote for the near future. The alternative is a lot more bloodshed, which means that tomorrow without the Vietnamese will be much like today with them.

Japan PM rebuilds support for party

By Stefan Wagstyl in Tokyo

MR Toshiki Kaifu, the Japanese Prime Minister, has succeeded in rebuilding a measure of public support for the crisis-torn ruling Liberal Democratic Party.

According to opinion polls, support for the LDP has recovered modestly since the party suffered a humiliating defeat in elections to the upper house of the Diet (parliament) in July. The recovery has come just in time for a parliamentary by-election on Sunday, which is widely seen as a crucial electoral test for both the LDP and the opposition Japan Socialist Party.

However, there are signs that the increase in the LDP's popularity is fragile. The opposition parties have been unable to attack the LDP directly over the summer because the Diet has been in recess. Mr Kaifu will face his first battles as party leader when it re-convenes on Thursday.

He could take comfort yesterday from a public opinion poll, published by Jiji Press, a news agency, which showed 33.1 per cent of people would vote LDP at the next general election – 12.5 points more than in the last poll in June.

An emotional rebound in popular opinion is widely seen as the main reason for the LDP's recovery. Many voters who voted against the LDP in the July elections did so to register a protest against the party's involvement in the Recruit financial scandal and against an unpopular consumption tax. Some of these people now believe the party is taking heed of their anger.

Mr Kaifu has also contributed to the recovery. He has exploited his youthful good looks by appearing frequently on television, often with his wife to emphasise that he is a solid family man – in contrast to his predecessor, Mr Sousuke Uno, who had to resign partly because of his involvement in a geisha girl scandal. The Japanese press judged that the prime minister conducted himself well on a visit to the US, even though little of substance was accomplished.

By contrast, the press, which earlier lauded the success of the Socialist Party in the July election, has recently focused on the JSP's continuing internal policy disputes. Previously, Miss Takako Doi, the party leader, was praised for taking a pragmatic approach to issues including defence and relations with the US and South Korea. Now her difficulties in dealing with party ideologues, including some who question the need for close relations with the US, have come to the fore.

"I think the Socialist Party is losing tens of thousands, maybe hundreds of thousands of votes every day," said one political commentator yesterday. However, Mr Takayoshi Miyagawa, another Independent analyst, said: "This is just a natural recovery of support for a ruling party following a very bad period. Do not read too much into it."

The re-opening of the Diet will give the opposition a chance to attack the party in two main areas – the consumption tax, which the LDP has pledged to reform, but which the opposition wants to abolish; and political reform, where the LDP will face claims that it is not going far enough to eradicate corruption.

Political manouvrings in the Diet could throw a spotlight on Mr Kaifu's greatest weakness – the widely-held belief that he is largely controlled by the LDP's scandal-tarnished power-brokers, chief among them Mr Noboru Takeshita, the former prime minister.

Mr Kaifu's personal prestige, and therefore his ability to withstand intra-party pressure, would be greatly enhanced by a resounding success in Sunday's by-election in Ibaraki prefecture, near Tokyo. In the July election, this former LDP stronghold was split in two, between the LDP and JSP. The constituency is so finely balanced that analysts decline to forecast the result.

Ministry criticises high prices

By Stefan Wagstyl

A JAPANESE government ministry has issued the strongest ever official condemnation of the high prices in Japanese shops.

Prices in Japan are very much higher than in other industrialised countries and are preventing Japanese people from enjoying the high living standards they deserve, says the report published yesterday by the Economic Planning Agency.

While the findings are not new and bear out the results of many private surveys, it is unprecedented for a ministry to make such a forthright attack on price levels and single out for criticism various Japanese business practices. Only a few weeks ago, the Ministry for Trade and Industry published a report which purported to show that the prices of many goods were lower in Tokyo than abroad.

Moreover, the EPA's report echoes many of the criticisms of the Japanese distribution system made recently by foreign visitors – including US officials and Mrs Thatcher, the British Prime Minister. In particular, the survey highlights how Japanese consumers suffer at the expense of producers and retailers – a point made last week by Mrs Thatcher.

The EPA report concludes that prices in Tokyo are 39 per cent higher than in New York and 47 per cent higher than in Hamburg. House rents and the prices of foods subject to import restrictions are double those in New York and Hamburg, says the EPA. However, the prices of cars and leisure goods are about the same, while the prices of health care and education are lower in Tokyo than in New York but still higher than in Hamburg.

The report says the Japanese custom of packing goods in unnecessarily lavish wrapping adds to costs. So do so-called "free services" at petrol stations, where attendants wash car windows for no money. The costs are all incorporated in the prices, says the EPA.

The EPA also says legal restrictions on the opening of shops dampen competition among retailers and should be scrapped.

The report should not on its own be taken as evidence that Japan is about to embark on a radical overhaul of trading practices. The EPA has long been a stronger supporter of reform than Miti, the ministry primarily responsible for overseeing many of the practices criticised by the EPA.

Slower rate of inflation in Hong Kong

By Michael Murray in Hong Kong

HONG KONG'S inflation rate dipped slightly in August, with the official consumer price index "A", which measures expenditure by the territory's low-income households, registering an increase of 9.9 per cent over August 1988.

The figures came as a welcome change after two months of double-digit inflation, with prices in June and July rising by 11 per cent and 10.3 per cent respectively over the same months in 1988.

However, the private sector Hang Seng Bank's own consumer price index for August, also published yesterday, which measures expenditure for high-income households, showed prices were up by 10.7 per cent over August 1988.

Hong Kong's official inflation index for the 12 months ending August 1989 now stands 9.5 per cent higher than for the year ended August 1988, and given slower growth in the economy in the wake of the crisis in China the inflation rate for 1989 looks set to remain in single digits, though higher than the official 8.5 per cent forecast by the government in the March budget.

At that time the fight against inflation was given top billing, but the spotlight has since shifted to concern about economic growth. A revised government forecast now calls for 5 per cent growth in gross domestic product in 1989, against an estimate of 6 per cent made before June 4.

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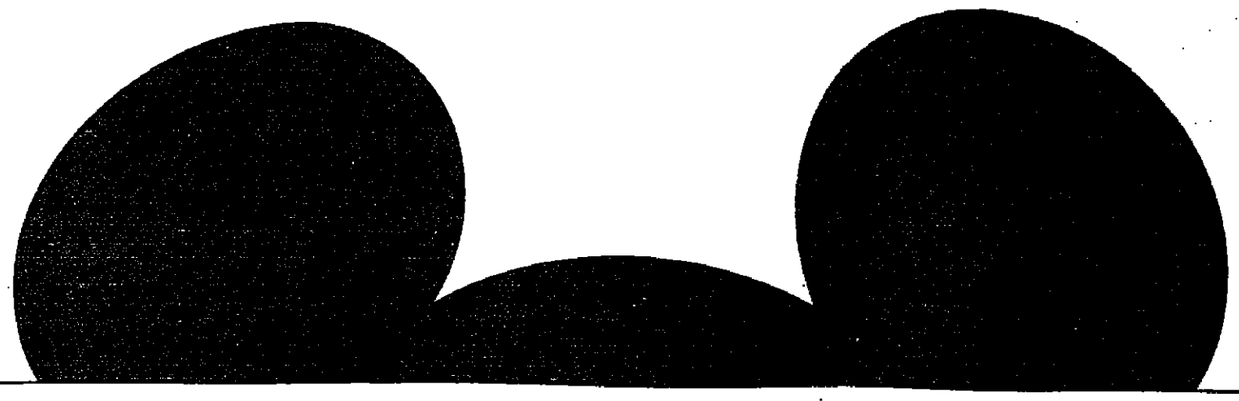

ECOM

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Arbitration call in Australian airline dispute

By Chris Sherwell in Sydney

AUSTRALIA'S domestic airlines and pilots, locked in a six-week pay battle, were last night reviewing their negotiating positions following a move by the Industrial Relations Commission to arbitrate their costly dispute.

The head of the Commission, the country's main arbitration and conciliation body, said yesterday it would convene to hear the matter on Thursday, following receipt of written submissions from each side today and responses tomorrow.

The Commission's intervention increases pressure on the airlines to recognise the Australian Federation of Airline Pilots – something they have refused since the 1,640 pilots grounded all flights by resigning en masse in support of their 29 per cent claim.

It also obliges the pilots to acknowledge a role for the Commission and, perhaps, for the national wage-fixing guidelines that the Commission enforces.

The biggest test may be for the Commission itself, which found itself sidelined early in the dispute after it penalised the pilots by cancelling their industrial agreements.

Mediation attempts by the Commission and others have since failed as Prime Minister Bob Hawke's Labor government, airline chiefs and leaders of the trade union movement have sought outright victory over the pilots.

Their apparent lack of success, along with attempts by the Transport Workers Union to claim union representation for them, now seem to have brought the Commission another opportunity – which, unasked, it has taken.

Yesterday Mr Justice Barry Maddern, the Commission president, ruled out an attempt at conciliation, saying the law required the Commission to deal with the dispute by arbitration.

At a brief hearing in Melbourne, he called for the two sides to prepare reports on whether new industrial agreements on pay and conditions should be made and, if so, which organisations should be parties to them.

He also called for submissions on the terms and conditions of such awards, and on the scope that exists for improved productivity and efficiency through restructuring of the industry. Pointedly, he suggested the two sides refrain from public comment.

Latterly the pilots have offered a full resumption of work for direct negotiation on pay, productivity, hours and conditions. But the airlines have continued trying to rehire former pilots and sign new ones on high-paying individual contracts in an attempt to rebuild services.

The dispute has been one of the most hard-fought and injurious industrial confrontations ever seen in Australia. The disruption, including a three-week grounding of domestic flights, has damaged the tourist industry, the economy's largest foreign earner, upset business and undermined the country's industrial relations reputation.

Gaza caught between Israeli jobs and intifada ban

A dependent economy suffers from the Palestinian uprising's work boycott, writes Hugh Carnegy

HOSNI as Sahar, a 35-year old labourer from the Jabalya Palestinian refugee camp in the Gaza Strip, worked on a Tel Aviv building site. The 25 shekels (£8.50) a day he brought home more or less provided a living for his wife and eight young children.

A little more than a month ago things changed dramatically. Caught in the middle of a battle between the Israeli authorities and the leadership of the Palestinian uprising, or intifada, over who can work in Israel, he was suddenly without income. With no savings and only meagre handouts from aid organisations, Hosni shrugged forlornly when asked how he would provide for his family.

On August 18 Israel began refusing entry to any Gazan not in possession of a newly-issued magnetic identity card. In response, the underground leaders of the uprising called for a boycott of work in Israel. Activists confiscated thousands of cards to help enforce the work ban. As Hosni's case illustrates, it is a tussle which has stretched the already threadbare economic and social fabric of the Gaza Strip.

Since the boycott began, the flow of Palestinians ignoring it has steadily grown. Probably between a third and a half of the 50,000 or so Gazans who used to travel to work in Israel are doing so again, despite renewed calls in the latest leaflet from the intifada leadership for continued support for the campaign.

For a territory which relies for more than half its meagre economy on income earned in Israel, such a loss of means quickly makes itself felt on the local population. For this reason, previous attempts during the 22-month-old intifada to enforce work boycotts have been short-lived. The present one may also ultimately evaporate, but in the meantime it has highlighted the chronic weakness of Gaza's economy.

Gaza comprises just 360 sq km, wedged between Israel and the Mediterranean Sea. One third of its land has been taken over by Israel since it was occupied in 1967. Into the remaining space are crammed 650,000 Palestinians, about two thirds refugees originally from what is now Israel proper. Because of the job opportunities it opened up, the Israeli occupation actually spurred great growth, but the underlying economy remained feeble, dominated by agriculture – mainly citrus fruits. What industry there was consisted largely of small workshops serving the local market.

The advent of the intifada, with its riots, curfews, strikes and boycotts, threw even this small-scale activity into reverse. Figures are scarce, but Israeli officials and foreign aid workers alike agree that numbers in work and per capita income slumped. Reliance on work in Israel became greater than ever.

Bearing much of the brunt was the United Nations Relief and Works Agency, which provides aid to the Palestinian refugees and is now, after the Israeli Civil Administration, Gaza's second-biggest employer with 4,200 people on its payroll.

UNRWA officials say the latest curbs on work in Israel have led to a huge increase in the number of people applying to it for work, cash and food relief. The agency's staff are concerned by the rising pressure from the intifada leadership for it to respond – manifested in a recent sit-in at its Gaza headquarters and, more seriously, an attack on one of its cars.

The agency stresses that no one in Gaza is starving. There are no serious cases of malnutrition. But it is now spending $2.3m on the first mass hand-out of flour since 1982, covering for the first time non-refugee Gazans, as an addition to its routine selective hardship and emergency programmes.

UNRWA is also looking at ways of promoting local enterprises through loans and advice. However, such schemes are not easy in the grim conditions of Gaza. A recent loan programme for prospective rabbit farmers collapsed when the rabbits all died from teargas drifting past from a nearby clash between Israeli troops and Palestinian rioters.

Local businessmen are rarely heard to complain about the intifada, preferring to proclaim their political support for its aims. But there is no disguising its effect on profits. Mr Ragheb Mourtaga, chairman of the Gaza Chamber of Commerce, says sales from his soft-drinks bottling plant are down 80 per cent. He manages the equivalent of a day's production a week. "All business gets worse and worse," he says wearily.

In the refugee camps, people make ends meet by tapping savings, turning to UNRWA and occasional discreet cash handouts for special hardship cases from the local "popular committees" which lead the intifada.

Hosni sold his car, which he had used to lift fellow workers to Israel. Some of his near neighbours grow vegetables in a dusty plot outside their ragged homes and rear chickens, pigeons and rabbits – if they are not done in by teargas.

In the end, though, most observers believe the boycott of work in Israel will peter out. As one foreign aid official put it: "In the long run, the superior economic power will win. It's a question of how long."

S Korean MPs upset by probe

By Maggie Ford in Seoul

MEMBERS of South Korea's National Assembly yesterday expressed outrage over an announcement by the Seoul Prosecutor's Office that it was investigating 21 of them for alleged wrongdoing.

The accused MPs include nine from the ruling Democratic Justice Party, nine from the main opposition Party for Peace and Democracy and three from the opposition Reunification Democratic Party.

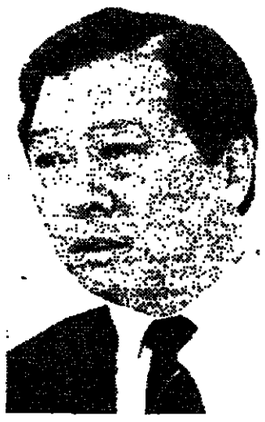
Several other politicians, including opposition leader Mr Kim Dae Jung, have already been indicted for offences involving the draconian National Security law, which bans any links with communist North Korea.

The three opposition parties yesterday said the prosecutors' investigation, affecting almost 10 per cent of National Assembly members, was a return to the dictatorial approach of the former regime of Mr Chun Doo Hwan.

Party leaders said the prosecutors seemed to be trying to discredit the whole political system by alleging that politicians were either corrupt or pro-Communist. Two other members of parliament are shortly expected to be charged with offences such as embezzlement or influence-peddling.

A ruling party spokesman said that although the prosecutors had formally accused the 21 MPs, they seemed to have ceased investigation. The list of names, so far unrevealed, seemed to contain all those who had been accused of irregularities by either the opposition or the ruling party, he noted.

● More than half the South Korean public has no confidence in politics, according to an opinion poll published by a local television station. According to the poll, 88 per cent of respondents were unhappy with current politics.



Kim: already indicted

Indian rulers under fire at political rally

By David Housego in New Delhi

ALMOST all India's opposition leaders took part in a big political rally in Delhi yesterday that seems bound to erode further the confidence of the ruling Congress Party that it will emerge victorious from the general election expected at the end of the year.

Addressing large crowds under a sweltering sun, Mr V P Singh, leader of the opposition, and other senior members of the coalition opposing Prime Minister Rajiv Gandhi, said they must not allow a split vote to rob them of victory.

But the centrist, left-wing and regional parties which form the opposition are coming to believe that if they can agree on putting up one candidate in each constituency against the Congress, they stand a good chance of winning.

The reason for the rally was to celebrate the 75th birthday of Mr Devi Lal, chief minister of Haryana and a leading figure among the farming community of the northern Hindi belt, but with the opposition using it as a chance to dispel its disunited image, it had the look of the launch of an election campaign.

A similar warning of the dangers of division was sounded in Bombay, where the militant Hindu party, the BJP, was holding its pre-election congress. Mr L K Advani, the party president, said the "unending acrimony" in the opposition had provided Mr Gandhi's government with "much-needed oxygen" over the last two years when "it had seemed to be virtually gasping for breath".

The two gatherings come at a time when the government has been put on the defensive by a surge in prices of some basic commodities and by renewed, embarrassing disclosures over the Bofors scandal. Retail price of sugar has jumped from Rs6.50 (25p) a kilo six months ago to Rs11-13.

A sign of the Prime Minister's discomfiture is that instead of holding state elections in the southern state of Karnataka next month, as once expected, Mr Gandhi now seems likely to avoid a contest by prolonging presidential rule.

Mixed effect of SA boycott

A NATIONWIDE consumer boycott of white-owned South African shops had a mixed response, with some shops reporting a 90 per cent drop in sales while others say the effects are marginal, Reuter reports from Johannesburg.

The boycott was launched last Friday by the country's two main labour federations, the Congress of South African Trade Unions and the National Council of Trade Unions, as part of a two-month-old campaign against apartheid and white minority rule.

"We increased our sales a lot on Saturday. This suits us fine, as for too long we have been viewed by our people as being unable to compete with the major supermarket chains," a spokesman for a black-owned Soweto supermarket said.

Seoul to let churchmen from North visit

By Maggie Ford

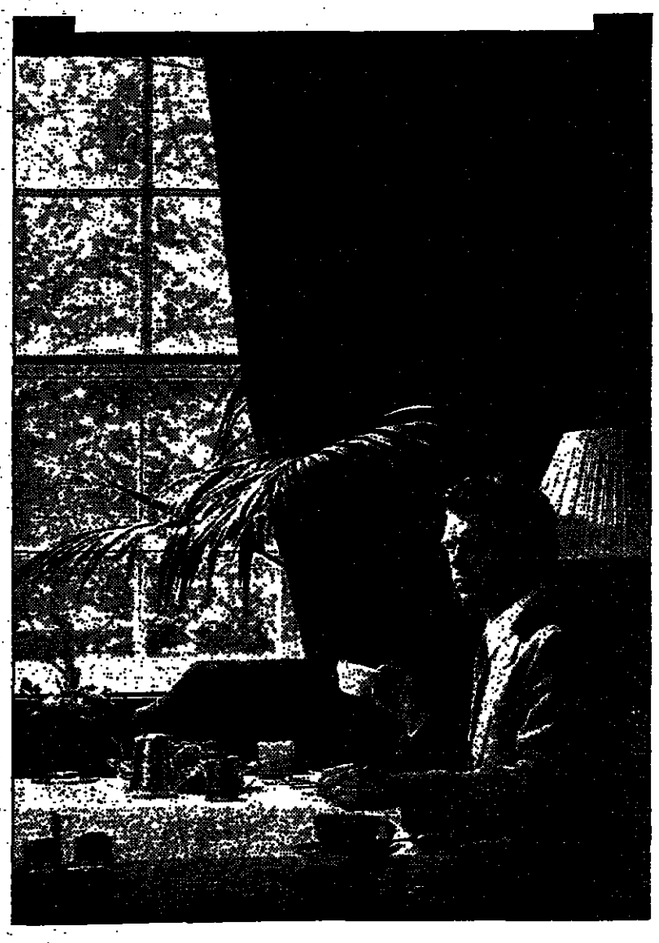
THE South Korean government is to allow the Catholic Church to invite 20 North Korean believers to attend the World Eucharistic Congress to be held next month in Seoul.

The congress will be attended by Pope John Paul, paying his second visit to South Korea, which has a substantial Catholic population. Two churches, one Catholic and one Protestant, were opened in communist North Korea a year ago.

The visit of the North Koreans will be the first to Seoul for several years. Other than a family exchange visit in 1985, there has been no contact between the two sides since the end of the Korean war in 1953.

A Catholic priest escorting a woman student on an unauthorised visit to Pyongyang in July became the first South Koreans to travel across the border since the war. Both were arrested on their return and charged under the National Security law, which forbids contact with the North.

Also in jail is the Rev Moon Ik Hwan, a Protestant minister who visited the North in April, and Mr Suh Kyung Hwan, a member of parliament and representative of the Catholic Farmers Association, who went to North Korea last year.



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AMERICAN NEWS

Moscow asks Greenspan for advice

By Peter Riddell, US Editor, in Washington

THE Soviet Union is turning for advice on its economic woes to the personification of international capitalism, Mr Alan Greenspan, the chairman of the US Federal Reserve.

Mr Greenspan will visit the Soviet Union in two weeks' time, accompanied by Mr Robert Zoellick, the State Department Counsellor and a close aide of Mr James Baker, the US Secretary of State, closely involved in this year's review of US-Soviet relations.

Mr Greenspan's visit, from October 7 to 11, has apparently been under discussion for some time, though it was formally confirmed following the Wyoming summit between Mr Baker and Mr Eduard Shevardnadze, Soviet Foreign Minister. They discussed at length how to transform the Soviet economy to a more market-oriented form.

The visit underlines the growing US interest in, and concern about, the serious economic problems of the Soviet Union, as well as the willingness of Mr Shevardnadze and others to discuss these issues openly. Both foreign ministers decided to make informal economic discussions part of their regular agenda.

At the end of a wide-ranging discussion on Friday evening, Mr Zoellick was presented by his Soviet guests with a counterfeit 100 rouble note and a counterfeit $500 bill to underline concern about worthless money.

A senior US official accompanying Mr Baker said Mr Greenspan and Mr Zoellick would visit Moscow at the invitation of a senior Soviet economic adviser. It will be Mr Greenspan's first visit to Moscow since becoming chairman of the Fed in mid-1987.

The US opposes direct aid, such as loans and grants, but is willing to provide informal advice on price and currency reform.

The US official said the Soviet Union recognised that price reform was crucial, though there were many difficulties. To bring about monetary stability, the Soviet Union is considering remedies such as importing large amounts of consumer goods and selling them at big profits.

It was also thinking about using heavy gold reserves to support the rouble, as well as discussing the issue of bonds plus spending reductions to cut the deficit.

Brazilian trade surplus declines

By John Barham in São Paulo

BRAZIL'S August trade balance slipped to a surplus of $1.44bn, as the overheated economy sucked in more imports. The surplus was 31 per cent down on that of August last year.

International bankers are watching Brazil's figures with more attention than usual, since the country fell behind with interest payments on its $110.7bn foreign debt in July.

Brazilian officials are in Washington trying to negotiate short-term debt refinance.

Consumer spending is booming as inflation advances to 35 per cent a month, feeding demand for imports and reducing export volume.

Foreign trade officials added that imports of machinery and raw materials, which accounted for the growth in imports, surged as Brasilia lowered import duties and trade barriers. Compared with August last year, imports rose 40 per cent to $1.934bn – the highest level in eight years. Exports faltered slightly, dropping 2.6 per cent to $3.374bn.

Officials are confident that Brazil will meet its 1989 trade surplus target of $16bn. However, unofficial forecasts of a $18bn surplus may prove unattainable. Brazil's 1988 trade surplus was $19.2bn.

Rash of pay claims feared after big Brazil bank award

By Ivo Dawnay in Rio de Janeiro

A LARGE pay award to the state-owned Banco do Brasil's 138,000 employees has raised fears of an explosion of new claims from Brazil's deeply indebted public sector.

The increase of 152 per cent, announced last week by the national labour high court, met union demands almost in full, despite warnings from management that it would jeopardise operations.

Negotiators for the bank workers had argued their case on the grounds that the government had acknowledged in official documents that the January inflation rate had been 70 per cent, and not the 35 per cent stated at the time. By accepting that claim, in a 7:2 vote, the court has opened the door to a flurry of similar claims from public sector companies where pay is linked to inflation.

The judgment is being fought by the government, which might take the case to the Supreme Court. It has also provoked a stern warning from Mr Mailson da Nobrega, Finance Minister, that implementing the award could put the bank in jeopardy.

The Banco do Brasil, which combines commercial bank activities with certain non-profit functions, has been in serious difficulties this year. In July, it reported gross profits of NCz48.7m (£18.1m), its worst first half for many years and far below the NCz261m achieved by Bradesco, its nearest private sector rival.

This collapse – 90 per cent down on the figure of the previous six months – was attributed to a variety of factors including costly farm loans and a sharp rise in non-payments by loan holders (up from 4 per cent to 20 per cent). A recent in-house study showed that, at best, the bank could pay its employees a 91 per cent rise. "If this goes up to even 95 per cent, the projections show we would have serious problems," a bank official said.

Mr Nobrega said in Washington that, if the new award were not reduced, the bank would have to close some of its 4,200 branches and dismiss staff.

Some measures to cut costs have been imposed already, including an end to interest-free loans to employees made without links to the inflation index. Perks such as this have made the bank's employees among the most privileged in the country.

Sarney hits back over environment

By Michael Littlejohns at the UN in New York

THE world was able to concern itself about the Amazon rain forest because it was still there after Africa and Asia had been despoiled by "large colonising companies," President José Sarney of Brazil said yesterday.

Responding to criticism of his country's environmental policies, he told the UN General Assembly that Brazilians had preserved Amazonia and would continue to do so, but they would never accept restrictions on their sovereignty.

Brazil has been sensitive to the sovereignty issue since the UN became involved in ecological questions in the 1970s.

Mr Sarney claimed government policy had reduced fire-clearing of the forests by about 40 per cent in one year, the export of timber was banned, and "predatory projects" had been eliminated. About 8m hectares were subject to a permanent conservation law.

He rejected suggestions that less-developed lands engaged in irresponsible behaviour where global ecological balance was concerned. "Industrialised countries bear the greatest responsibility for the pollution of the environment," he asserted.

Sandinistas seek to divert defence funds for farming

NICARAGUA'S ruling Sandinista party has unveiled a "swords-to-ploughshares" strategy for the elections in February, promising to shift resources from defence to agricultural co-operatives and agro-export production, Tim Coone writes from Managua.

The platform was discussed at a party convention on Sunday, attended by 1,700 delegates from across the country who chose President Daniel Ortega and Vice-President Sergio Ramirez as the FSLN candidates for those offices at the elections.

The platform proposes to "promote and strengthen the co-operative movement and associated *campesino* [peasant] organisations as the fundamental pillars of the economy." Since 1979, the government has distributed land to more than 80,000 rural families, and is proposing to give lands to 25,000 more in the coming six years, so that "not one campesino will be without land in Nicaragua." This would represent some 30 per cent of the rural population.

The party also aims to recover previous levels of coffee, cotton, cattle and sugar production, which have been badly hit by the combined effects of an eight-year war against US-backed Contra guerrillas and a four-year US trade embargo. An economic growth rate of 5 per cent a year is being sought, as is a balanced budget.

No mention is made of Nicaragua's multi-billion dollar foreign debt, on which the government has declared a moratorium since 1983. Foreign investment is to be encouraged, however, as is worker participation in management. Tax incentives are to be granted to companies investing profits in housing and welfare for their workforces.

Health and education programmes are also to be reinforced, while the finance for the overall strategy will come from a reduction of defence spending, now there is a prospect of peace in 1990, and from anticipated increases in foreign aid and credits. No details are given of projected armed forces reductions, which will be a main way to release finance to implement economic goals.

Mr Bayardo Arce, number two political figure in the FSLN, told foreign journalists at the weekend that the FSLN will finance its electoral campaign from its own resources and by issuing "Sandinista election bonds". He said these will have no negotiable value, being only be a record of an individual's financial support for the party's campaign.

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PROJECT: *Relocation and expansion of General Insurance Division.*
CRITERIA: *Up to 300,000 sq. ft. purpose built offices. 2,000 people. Ease of communication. Scope for expansion.*

DC Gardner Group plc
International Banking Consultants

DECISION
Cardiff 1988

PROJECT: *Establish new office to handle financial and human resource training.*
CRITERIA: *Good infrastructure. Fast communications with the City. High quality, inexpensive offices. Enthusiastic and adaptable workforce. Expanding financial centre.*

N M Rothschild & Sons Limited

DECISION
Cardiff 1988

PROJECT: *New branch office offering a full range of merchant banking activities.*
CRITERIA: *Fast growing local economy. Banking and corporate finance opportunities.*

NPI
NATIONAL PROVIDENT INSTITUTION

DECISION
Cardiff 1988

PROJECT: *Staffing and accommodation needs of a leading life insurance business with substantial growth plans*
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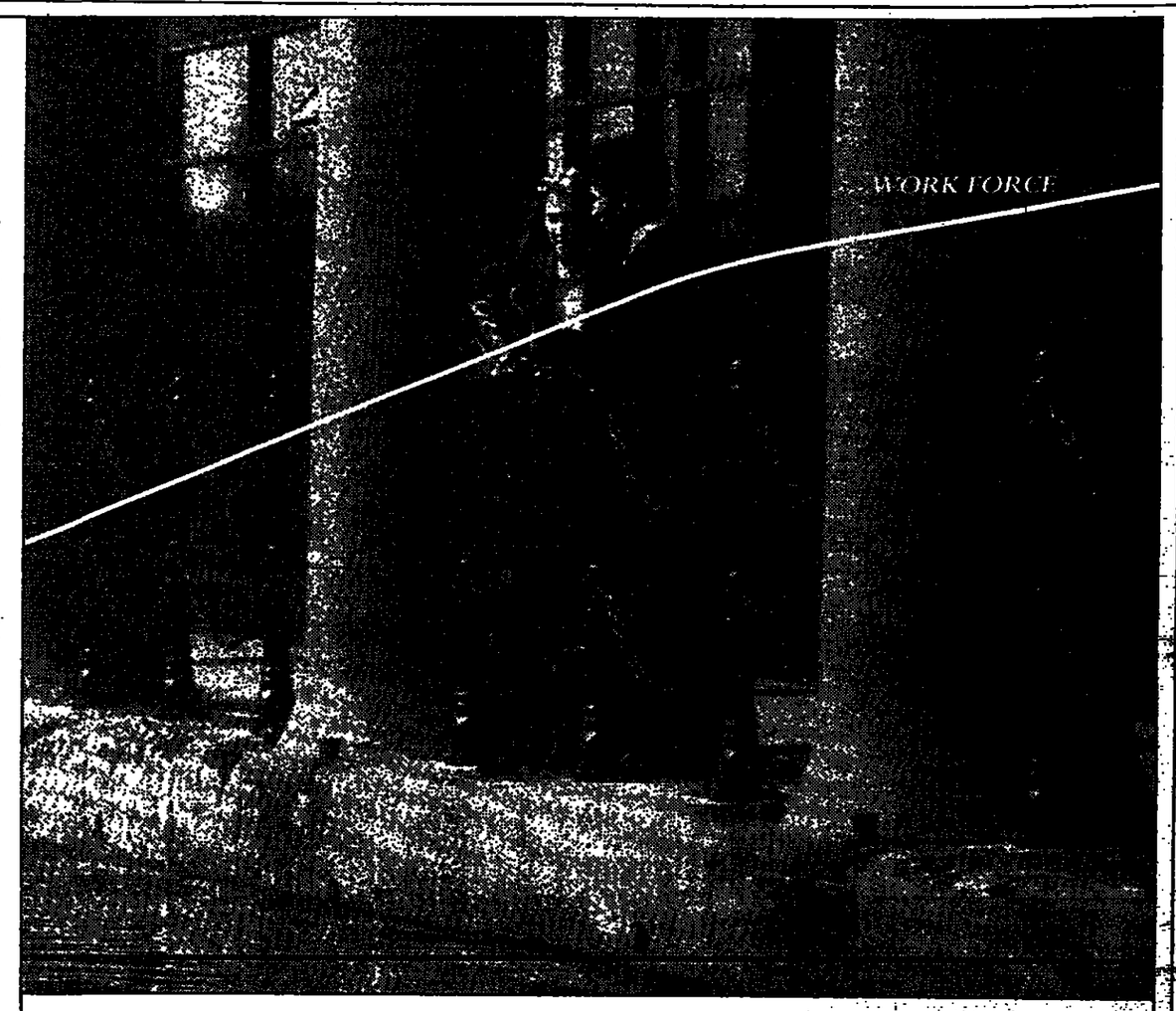
DECISION
Cardiff 1988

PROJECT: *Expansion by the residential mortgages arm of BNP.*
CRITERIA: *Dedicated local staff. Excellent professional infrastructure. High educational standards. Quality of Life.*



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Gen Avril: In face of protests, thanking military for its support

Rocky road ahead to Haiti elections

Canute James points out the potholes

WHEN young army officers overthrew Haiti's military ruler a year ago and installed General Prosper Avril as the head of government, they issued a statement of their reasons for the coup, and what they hoped to achieve. Most of Haiti's 6m people were encouraged by one undertaking – the holding of elections and the transfer of power to a civilian government.

Gen Avril announced at the weekend that elections for a civilian president would go ahead in October next year. But Haiti's multitude of political parties might be forgiven if they remained somewhat cynical of their chances of playing a full role in the process to end almost 35 years of government first by the Duvalier family dictatorship and then by generals.

Gen Avril's decision will have been opposed by older military officers and ultra-conservative supporters of the Duvalierists, and there is no certainty that there will not be a repetition of the events in November 1987 when armed thugs aborted an election by murdering 35 prospective voters.

The massacre led to a suspension of foreign aid to the country, but while donors have continued to use the withdrawal of aid to turn Gen Avril towards an election, the economic situation in Haiti, traditionally the most depressed in the Americas, has worsened. The Government has been forced to print unbacked money to finance its obligations, and late payments of salaries to soldiers is fuelling resentment among officers already displeased with Gen Avril.

The black market in hard currency has mushroomed, with traders asking as many as 30 Haitian gourdes to the US dollar, against a rate of five to the dollar which has prevailed for the past half century. Gen Avril sought and received assistance from the International Monetary Fund, which is providing credits of $21m, with the World Bank offering a further $44m.

But the Government will have to pay out $11m of the new funds to meet arrears on its foreign debt, and the austerity conditions which it has imposed are unpopular. Basic food and materials such as sugar, flour and cement have attracted price increases averaging 30 per cent, while taxes have been raised on electricity, telephones and water.

The measures led to protests recently by political parties and trade unions – albeit mild by Haitian standards. Motor vehicle horns were sounded for 15 minutes to protest increased prices. But government officials say the economic changes would have been made even without an agreement with the IMF.

Such protests are likely to be viewed with concern by Gen Avril as they could provide a cover for disgruntled soldiers to make a third attempt at unseating him. It was not surprising that in a public address to mark his year in office, Gen Avril made much of thanking the military for their support. He also asked Haitians, 60 per cent of whom are unemployed, to exercise greater austerity for the national good.

The US government, which has repeatedly described Gen Avril as offering Haiti's best chance for democratic change, has so far led in accepting his timetable for elections. It has been on the basis of his promises in the past that Washington has started to grant moderate quantities of aid. Another $40m is due in the fiscal year which begins next month.

But most of the Haiti's leading politicians, and the governments in neighbouring Caribbean countries, consider this timetable to be unduly long. Diplomats in Port-au-Prince, the capital, are convinced the transition can be made much earlier. There is also concern among the politicians at the military government's ability or desire to enforce a section of the constitution which bars for the next decade military officers and known supporters of the Duvalierist dictatorship from standing for office.

The Caribbean Community, made up of the English-speaking states of the region, have offered to assist Haiti in organising elections. Like the Americans, Haiti's neighbours are concerned that the country should not again degenerate into political chaos.

An election will be difficult to administer. While Gen Avril has scored points for some liberalisation of the media in the capital, near anarchy prevails in the countryside. Army officers in charge of particular regions have carved out virtual fiefdoms, administering rough justice with impunity.

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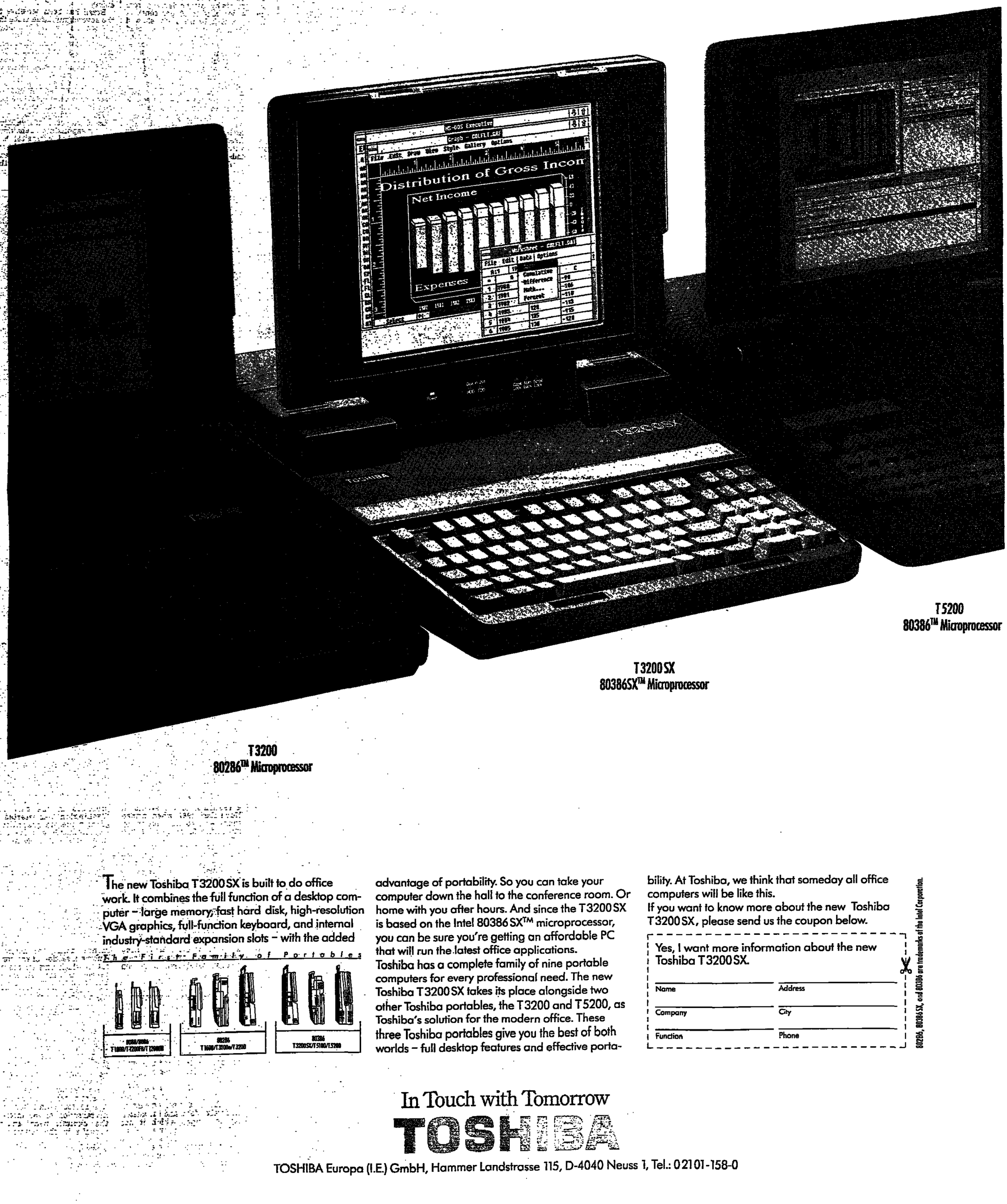

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THE IMF IN WASHINGTON

Fund will take tough action over arrears

By Peter Norman, Economics Correspondent

THE International Monetary Fund has decided on tough action against members which deliberately run up arrears with the fund.

Mr Michel Camdessus, IMF managing director, told a news conference yesterday that persistent offenders could face withdrawal of their membership of the fund. Outlining the IMF's strategy, Mr Camdessus said the fund could interrupt its technical assistance operations for members in arrears.

Those countries also would not benefit from the increase in quotas or membership subscriptions now under discussion.

The IMF could also issue a declaration of non-co-operation against an offending country. This would be one of the last steps before the IMF mangement sought withdrawal of membership of a nation in arrears of the fund.

Before that happened, the managing director would have written to fund governors in the other 151 member countries to seek pressure from *them on the nation in arrears.* Mr Onno Ruding, Dutch Finance Minister, who chaired the meeting yesterday of the 22-government, policy-making IMF Interim Committee, said the fund would make a clear distinction between those countries in arrears, but working on settling their obligations, and those which have refused to co-operate.

The IMF's annual report showed that arrears of six months or more had increased rapidly to about $3.5bn by the end of April this year, from $2.375bn the year before.

Thirteen countries have overdue obligations. Five have agreed to adopt policies, supported by the IMF, to reform their economies and pay their arrears to the fund. A communiqué issued yesterday, after the meeting of the Interim Committee, called on all fund members in arrears to correct their economic imbalances and regularise their relations with the IMF. It pointed out that arrears impose a burden on all other fund members.

Japanese aspirations place British pride at risk

Peter Norman looks at winners and losers in a change of precedence among the fund's shareholders

OFFICIALLY there is nothing to talk about. Unofficially, Japan's wish to move up from five to two in the International Monetary Fund pecking order, displacing Britain from its position as second largest shareholder, is straining the imaginative powers of senior monetary officials in the world's five biggest countries.

The ranking issue centres on reconciling the apparently reasonable proposition that the world's second largest country should be the second largest shareholder in the world's leading monetary agency with Mrs Margaret Thatcher's known dislike of having Britain concede anything in international affairs.

It is at times such as this officials begin to think in terms of what price can be extracted for real or apparent concessions.

One idea circulating in Washington would see Japan and West Germany each occupy the number two position in the Fund. The US would stay as the biggest shareholder with perhaps slightly less than its existing 19.9 per cent share of Fund quotas or subscription rights but retaining holding well above the 15 per cent level that ensures a veto over IMF decisions. Britain and France would be next in the rankings at joint number three or four, depending on whether a it is a politician or mathematical purist who sets out the pecking order.

Under this scenario, Britain would be the only nation of the five top IMF shareholders to make real concessions. Not only would Japan gain by moving to number two, West Germany would move from third to joint second while France's position would be unchanged.

However, this scenario would involve Mrs Thatcher admitting that France is on a par with Britain. The feeling among seasoned observers of UK affairs is that she would find this difficult to swallow.

Even pride could have a price, however. British acquiescence in being awarded a bronze instead of a silver medal in the monetary Olympics could, it is thought, be bought by an understanding that the managing directorship of that International Monetary Fund should not become a French fiefdom.

Mr Michel Camdessus, the present managing director, is the second French man in succession to occupy the post. French nationals also are in charge of the European Communities Commission and the Organisation for Economic Co-operation and Development.

Moreover, Mr Camdessus is a man of firm ideas and has an at-times difficult relationship with the US, the IMF's leading shareholder.

What should be more reasonable than after his present term of office in two years time, he should make way for a managing director of another nationality? Contenders could be Japanese or – after letting Japan move to number two – even British.

Such ideas may appear logical. But they would be very difficult to implement without the co-operation of the US or France, which would then become a clear loser from the quota reshuffle.

Perhaps that is why British Treasury officials yesterday dismissed such speculation as "rubbish". But in this environmentally conscious age rubbish has a way of being recycled and taking on a new, prolonged lease of life. Watch this space.

IFC offers Warsaw aid for market orientation

By Peter Norman

THE International Finance Corporation has offered a five point programme to Poland in order to help it develop a market-based economy.

The IFC, a World Bank affiliate which promotes private investment in developing countries, offered:

- A programme of investments, particularly joint ventures, with foreign companies;
- Assistance to the Polish government in privatising state-owned enterprises;
- The creation of at least one new bank, with participation of foreign private banks, to help modernise Poland's financial sector and so provide a basis for the development of strong private sector companies in Poland;
- Technical assistance in developing capital markets;
- Assistance with establishing an advisory service for Polish companies, especially newly established businesses.

Sir William Ryrie, IFC executive vice-president, outlined the programme at a meeting on Sunday with Mr Leszek Balcerowicz, Polish Finance Minister, and Mr Wladyslaw Bak, Poland's Central Bank president.

The IFC official said that Poland was particularly keen to establish new banks, and had already sought advice on banking regulation and how to attract foreign banks to Poland.

The IFC has already started its joint venture programme with an investment in the horticultural sector. Work is proceeding on several other projects, he added.

The IFC has already been helping Hungary develop its economy for three years.

Sir William said the corporation had approved seven joint venture investments with Hungary, including a joint venture bank established in partnership with banks from West Germany and Austria, and with the Hungarian National Bank.

The IFC is examining six other joint ventures, he said. Altogether, it has invested funds equivalent to $67.9m in Hungary on projects worth a total $277m.

Paris 'could do deal on voting shares'

By Peter Riddell, US Editor, in Washington

FRANCE is prepared to agree to the UK having the same voting share as itself at the International Monetary Fund, in the reallocation after the forthcoming review of quotas, or membership subscriptions.

At present, the UK has the second largest voting share behind the US, and the US and other leading fund members *accept the case for Japan,* currently in fifth place, to move up to second. The British have been reluctant to negotiate a change in IMF rankings until agreement is reached later this year on a general quota increase.

Mr Pierre Bérégovoy, French Finance Minister, said yesterday that on the basis of rankings "consistent with economic strength", such as Gross National Product and GNP per capita, France should remain number four, as now.

However, France, he said, was "willing to be on the same level and ranking as Britain if it would make things easier".

By an elegant exercise in Gallic logic, Mr Bérégovoy said that the fourth and fifth (implying Britain) would be on the same level, like football rankings. The UK, he added, had not taken a final decision. France was willing to be conciliatory.

He backed the call by Mr Michel Camdessus, fund's managing director, for a 100 per cent increase in IMF quotas.

While noting that some fund members supported only a 25 per cent rise, he suggested a compromise increase of around two-thirds might be acceptable.

Mr Bérégovoy said: "There has to be more liquidity in the IMF. Today we hear that things are going well. But they are not necessarily going as well as we hear. The IMF has *to. . . keep an eye to the* future."

He said there were differing opinions over the size of the quota increase needed. "There seems to be a middle ground approaching two-thirds (increase) or 66 per cent," Mr Beregovoy said. "I prefer a good compromise to no agreement at all."

Reuter adds: Japanese officials said they were optimistic about winning a bigger voice in the International Monetary Fund after a two-day meeting of the policy-making Interim Committee.

A senior Japanese official said the committee opened the way for a bigger role for Tokyo by agreeing to consider a special subscription increase for Japan when a final decision is reached on a general capital or quota rise.

"We are now positive about a bigger position in the IMF as its communiqué opened the way toward the Japanese goal," said a senior Japanese official, who asked not to be identified.

Agreement on loan for Venezuela

By Stephen Fidler

VENEZUELA and leading foreign bank creditors have agreed on a $600m interim loan, to enable the country erase its interest arrears to banks.

The agreement to make the unsecured financing to Venezuela's central bank, finalised yesterday, comes after months *of talks with the banks, led by* Chase Manhattan.

The country's arrears to creditor banks have been building up in the meantime. After the new loan, Venezuela is expected to make interest payments of more than $1bn to banks, which will wipe out arrears.

The interim financing should allow time for a full debt agreement, expected to include debt reduction options, perhaps early next year.

The hope is that the interim financing will help clear the air and improve relations with the banks.

Michael Littlejohns adds from the UN: President Carlos Andrés Pérez of Venezuela warned yesterday of a possible "social explosion" affecting 1bn people unless creditor countries showed greater concern for a growing crisis.

He told the UN General assembly that, if the problem were not solved – and steps taken so far were inadequate – the entire global political balance was at risk.

Poland advised by Lawson to reform its economy

By Stephen Fidler, Euromarkets Correspondent, and Peter Riddell

MR NIGEL Lawson, UK Chancellor of the Exchequer, met Mr Leszek Balcerowicz, Polish Finance Minister, in Washington yesterday, after likening Poland's task in reforming its economy to the rebuilding of the German economy after the Second World War.

"Daunting though the task is," *Mr Lawson told the* interim committee of the International Monetary Fund, "deliberate gradualism would only make it harder, if not impossible.

"If there is any model, it is the Erhard approach to rebuilding the German economy after the war. Poland needs to make the adjustment to a sound, market economy as swiftly as possible." The immediate task for Poland was to get its macro-economic policies right, and stop inflation running out of control.

To this end, countries must be ready to give financial help, including rescheduling of Poland's official debts at the Paris Club of creditor governments.

Poland should encourage inward investment, by ratifying the Multilateral Investment Guarantee Agency convention as soon as possible. It should set up some enterprise zones, where bureaucratic controls would be absent, the Chancellor said.

A major privatisation programme would be needed, whether in the context of debt-equity swaps or not. The UK was ready to advise on this. Curbs on private farmers should be removed.

The UK had offered $40m in the form of a "know-how" fund, and was ready to increase this, Mr Lawson said.

> "If there is any model, it is the Erhard approach to rebuilding the German economy"

All nations could help by training managers in operating in a market economy. Countries should remove curbs on Polish imports. Brussels had taken a lead on this. But, while governments could help, Poland should look to the private sector, said the Chancellor.

Western finance ministers and leaders of the multilateral institutions are stepping up talks with Poland in the hope of securing early agreement on an economic reform programme.

Mr Michel Camdessus, IMF managing director, is to visit Warsaw shortly to complement discussions already under way between a fund team and Polish financial officials on a stabilisation programme.

Mr Pierre Bérégovoy, French Finance Minister, said he and fellow Western ministers were being given a series of presentations in Washington by senior Polish officials on their economic programme, covering the Polish inflation problem, a strategy for stabilising the economy, and a request for international assistance.

Senior US officials hope a letter of intent can be signed by the Poles in November or December, coming into effect early next year.

But there is some disagreement among leading creditor nations about how much of the rescheduling of Poland's $40bn debts by the Paris Club of creditor governments should be agreed before such an IMF programme is in place. Mr Bérégovoy said interim solutions might be necessary since it would take time for the IMF to make a diagnosis.

Aid for Poland, Page 27

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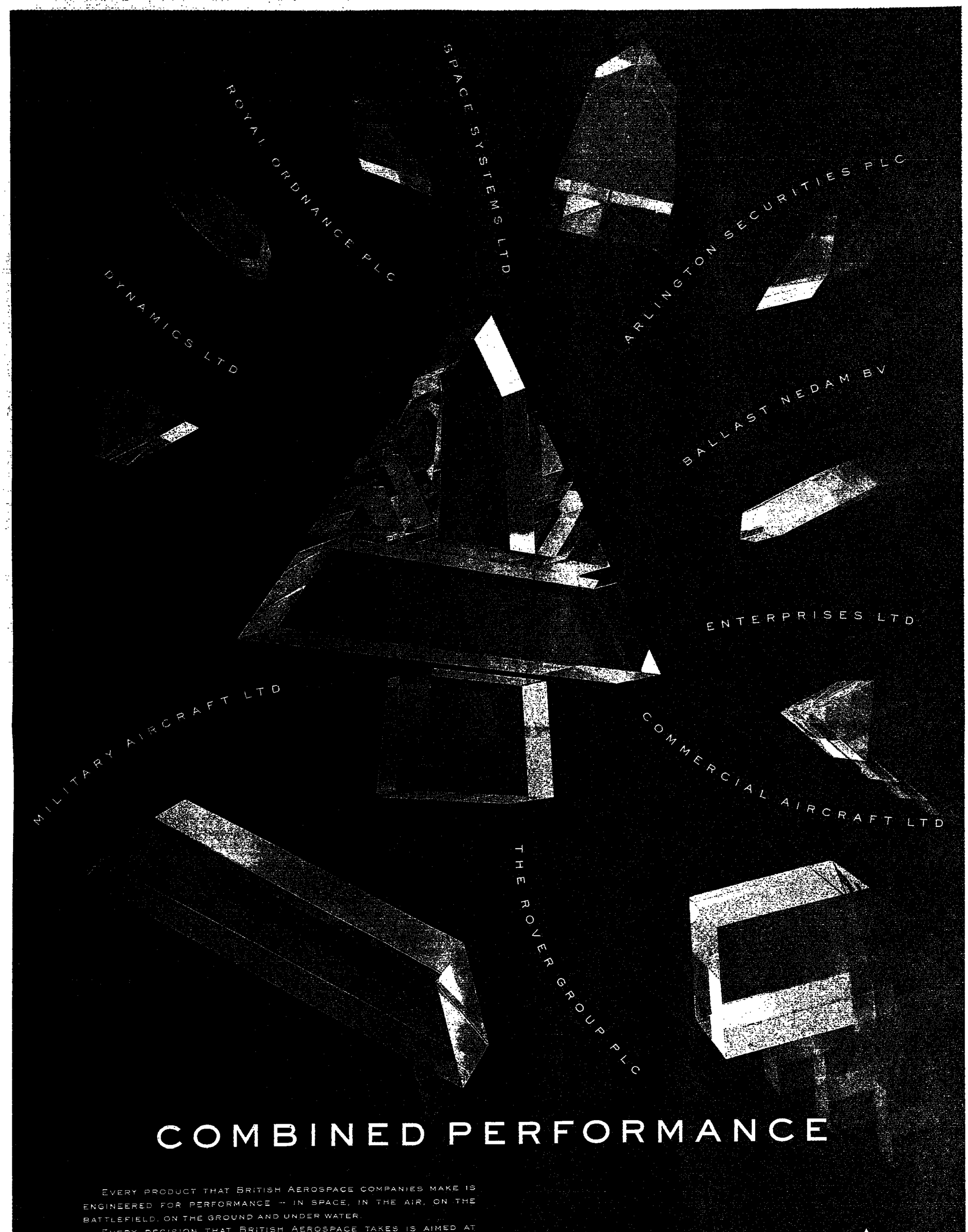

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WORLD TRADE NEWS

Britain agrees to renew World Bank aid pact

By Peter Montagnon, World Trade Editor

BRITAIN has agreed to renew a three-year-old agreement with the World Bank under which the Government said it would put up aid support for up to £200m-worth of World Bank projects in developing countries.

The agreement, launched with a fanfare in 1986, was designed to encourage British companies to take more interest in bidding for World Bank business amid worries that the UK was losing out to other countries. But it expires this autumn with very few exports signed up.

Officials said earlier this summer that it would be renewed in order to win business from World Bank contracts which can take many years to come to fruition. Other countries, such as France, also have similar co-financing agreements and have experienced similar difficulties in turning them into hard export sales.

Announcing the three-year extension yesterday, the Overseas Development Administration said the UK had secured financing of a water and sewerage project in Pakistan with an export value of £19.3m under the arrangement. It had also pledged to provide "aid-and-trade" support up to $50m to develop private- sector power generation in Pakistan and offered support for two projects in Ghana worth £27.8m.

The agreement allows the Government to select in regular discussion with the World Bank, projects which might be eligible for co-financing through mixed credits or soft loans arranged under its Aid and Trade Provision. It is thought likely to improve the chances of British companies bidding for World Bank supply business.

Its renewal comes at a time, however, when British firms are again increasing their share of World Bank contracts after a period of decline.

In the year to June 30, the World Bank's disbursements to UK companies climbed to $935m (£584m) from $710m in the previous year, and the UK share of total foreign disbursements by the Bank grew to 10.1 per cent from 7.6 per cent.

Five consortia set to vie for Indonesian phone deal

FIVE foreign telecommunication consortia are expected to submit proposals this week to supply Indonesia with a digital switching system, a deal worth up to $1bn (£625m), John Murray Brown reports from Jakarta.

Tenders close on October 1 for the five consortia – Alcatel of France, AT&T, Fujitsu and NEC of Japan and L.M. Ericsson of Sweden – to instal 300,000 lines and a computerised exchange or digital switching system.

Indonesia is pledged to spend $4bn over the next five years to meet rising demand from industry and the growing financial services sector.

Indonesian private-sector financing is being considered under a franchise agreement, where the investor recovers his cost by charging phone customers.

A contract for the supply of mobile phones is also set for tender. Ericsson and Motorola are competing to supply some 12,000 units.

The switch contract is the second phase – the first system was supplied by Siemens of West Germany in 1984.

Financing is expected to be the deciding factor for the initial supply contract worth about $200m. Both Alcatel and AT&T, the early favourites, are seeking soft loans from their governments. AT&T is lobbying the US Eximbank. AT&T's collaboration with Phillips of the Netherlands should provide access to Dutch government financing.

Bagnoli plant decision could influence EC-US steel quota talks

NO DIRECT link exists between European Community efforts to persuade Italy to shut its Bagnoli liquid steel plant near Naples, and this week's EC-US talks on US steel quotas, Tim Dickson reports from Brussels. But as industry ministers of the 12 arrive in Brussels today for what could be an acrimonious meeting, many feel the outcome could have an important bearing on the "atmosphere" of the trans-atlantic talks.

The Bagnoli issue focuses on the blessing Brussels gave to Italy's provision of £2.3bn to government-owned plants on condition Italian steel capacity was cut. Hopes have risen that the US will soon offer some "realistic" concessions on the shape of the new "voluntary" quotas or Voluntary Restraint Agreements (VRAs). These are designed to run for 2½ years from the end of this week, when the current five-year programme with 29 exporting countries ends.

The VRA talks have proved complex and politically charged, partly because the US is trying to reach parallel accords with each country or bloc on trade distortions and market access (the so-called "consensus agreements"), and partly because Japan and the EC have been asked to accept lower export quantities, so Mexico and Brazil can be given more.

The EC side greeted the US's first offer with barely-hidden fury. Terms involved 15-20 per cent cuts in amounts to be shipped, depending on which of the 34 product categories was chosen. "What they had in mind on the consensus agreement was far from compatible with Gatt principles," one EC official said. Chances of an upward quantity revision is thought slim just now, though EC officials will look for hints that the US will be flexible later.

Brussels estimates combined first offers to all VRA countries totalled 15 per cent of US consumption, against 18.4 under the "old" agreements, with scope for last-minute compromise. Overall, the US has indicated it seeks a "same again" 18.4 per cent global figure, with a possible extra 1 per cent tied to consensus pact conditions. More immediately, the EC expects to be offered an improvement in terms covering flexibility between products – the current arrangements allow for transfers of up to 5 per cent – and more generous rules for carrying quotas into the next year, and "advance use" of the next year's quantities.

The Bagnoli case is thought more relevant to the EC-US consensus accord being sought by Washington on subsidies and market access. Irritation has arisen at how the US has tended to depict its own regime as relatively blameless, pinning criticism for failure to liberalise world trade on other nations. The UK, for example, has paid no aid to British Steel since 1985, while the West German industry has been forced into sacrifices in restructuring.

Despite some sympathy, it is felt in Brussels (and London) that the Italians are letting the side down. Last year, the EC approved £2.3bn debt write-offs at the state-owned Finsider operation, depending on restructuring. The most significant was for closure of the Bagnoli plant, which Rome reluctantly agreed to do by June this year, but which it now apparently wants to put off because of Europe's healthy demand for steel (including Bagnoli products).

Other member-states agreed not to press the point in June, but the Commission has come up with a new deadline – March next year. Under EC rules, the Council of Ministers' verdict must be unanimous, but if Italy blocks accord today, many feel Brussels must re-open the case in the European Court of Justice. The US, and EC governments, will watch with interest.

Taste for the exotic fuels Japan's imported car trade

Foreign models are becoming a necessary touch of class in retail outlets, writes Michiyo Nakamoto

IN a corner of Seibu department store in central Tokyo, past the men's suits, the knitted sweaters and designer ties, and just next to the entrance of the parking lot, is a row of spanking new Citroens in bright red and white and Saabs in soft and steely shades of silver.

In another part of town, nestled among the comfortable homes of Japan's *nouveau riche*, is a branch of the famous Mitsukoshi department stores, where Mazda's flashy new sports car, the Roadster, and Citroen's celebrated BX models, draw attention away from the silk dresses and cashmere scarves.

While the US and Britain in particular pound on with their demands that Japan open its markets to foreign products, it may have gone unnoticed that the growing preference among Japanese consumers for imported goods is already opening many doors – sometimes, as in the case of imported cars, in surprising places.

Retailers, such as the department stores Seibu and Mitsukoshi, or supermarket chains such as Jusco, have been some of the more conspicuous new entrants to the dealership business, but by no means the only ones. Trading companies, a recently privatised national railway company and a confectionery maker are among those which have begun to sell foreign cars.

Mitsukoshi has been selling foreign cars for some time through its automobile division, earning an average Y6bn (£26m) in agent sales a year. This year it established a fully-fledged dealership, Mitsukoshi World Motors.

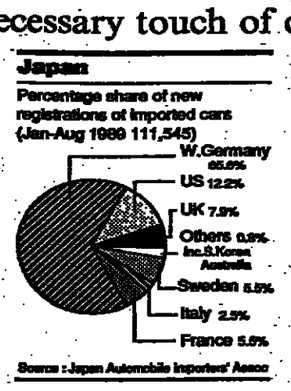
"The car industry is growing," said a spokesman for Mitsukoshi, "and we didn't want to remain just an agent."

While sales of domestically produced cars have been rising steadily, with a 12 per cent rise from 3.05m units in 1987 to 3.43m last year, sales of imported cars surged 37 per cent from 97,750 units registered in 1987 to 138,583 units last year. Imported cars increased their share of the market from 1.4 per cent in 1984 to 3.7 per cent last year.

Japanese carmakers themselves have come to accept the benefits of bringing foreign cars to their storefronts to complement their product lines. Last year sales tie-ups between Japanese and foreign makers became something of a fad with six such arrangements announced within the year.

Until then, the big Japanese producers, even those with ownership links to foreign companies, had leaned heavily on their dealers not to take on foreign lines, a practice which has been loudly denounced by the US and other governments.

Through its agreement with Isuzu Motors, Opel, the West German car maker, has gained 100 new retail outlets, and is aiming for another 100. General Motors, which has sold its cars through Yanase, the importer, and through a 1971 tie-up with Isuzu Motors, has begun selling through Suzuki outlets as well.



Suzuki has opened 100 of its outlets to GM and Peugeot and expects to bring that number up to 200 within the next year or two. GM has stakes in Opel, Isuzu and Suzuki. Volvo joined hands with Fuji Heavy Industries, which makes Subaru cars, and added 15 dealerships in less than a year while its original network of 38 dealers took 12 years to build up.

Daimler Benz, sold in Japan through Yanase, has set up a joint venture with Mitsubishi Motors, which aims to establish 50 Benz dealerships from among existing Mitsubishi dealers by 1993. A spokesman for Mitsubishi Motors also said recently that it was prepared to consider selling Chrylser's cars through its domestic network as well. Chrysler has a 18.1 per cent stake in Mitsubishi Motors.

Mazda, in which Ford has a 23.4 per cent stake, has been selling Mazda-made Ford cars since 1982. It started selling US-made Fords in February last year and Citroen's BX series this month. Next January, it will start selling Fiat's Lancia compact series.

Meanwhile, Nissan, which makes its own luxury cars, has plans to sell Volkswagen's Passat through its own dealers while Toyota says it is not ruling out the possibility of making a similar move.

The companies have been under some pressure from the Ministry of International Trade and Industry to increase their imports of foreign products. "Just because two cars are in the same class it doesn't necessarily mean that they compete with each other," says a spokesman for Nissan.

For their part, the car dealers, which still have to be careful about their relationships with producers, have found ways to ensure that they do not miss out on the substantial profits to be made on foreign cars.

Tokyo Nissan Motor Sales, for example, is restricted to selling Nissan cars, but has set up a subsidiary, Nissan Capital, to sell cars made by Audi and Daimler Benz. Seibu Nissan is a Nissan dealer that can only sell specific lines of Nissan cars in its designated area, but a sister company, Seibu Motor Sales, sells a variety of foreign cars.

SALES OF IMPORTED CARS IN JAPAN

Year	Number	Market share (%)
1984	41,982	1.4
1985	50,172	1.7
1986	68,357	2.3
1987	97,750	3.1
1988	133,583	3.7

Changing consumer preference is doubtless the chief force behind this dramatic change in the market environment for foreign car makers. While uncertainty still exists as to the actual technological quality of imported cars, they have succeeded in capturing the growing Japanese demand for something different.

"The imports don't have anything over the Japanese cars except their uniqueness," says one industry analyst. But uniqueness is what consumers are increasingly looking for, not only as an expression of their individuality but also as a status symbol.

On another level, changes in consumer shopping patterns are making it increasingly important for retailers and for producers to ensure that their sales outlets get enough store traffic to generate sales. For the retailers, selling imported cars is not only profitable it also creates an extended link with customers through after-sales care.

"In the retail industry we have to think about our customers first, so we need to offer a variety of products," says Mr Toshiro Miyoshi at Jusco, the supermarket chain. Jusco sells Ford and Subaru cars.

The trend-setting Seibu has come up with the idea of a "megadealer", a kind of car department store where consumers would be able to browse among a truly international range of cars. Defying all warnings that such a store would never be possible, since it would incur the wrath of already established dealers as well as the manufacturers with their strict rules of who gets to sell what, Seibu plans to open such a store next May in the northern city of Sapporo. For a start it will bring together Jaguar, Peugeot, Chrysler, Citroen and Saab models and plan to sell 200 cars in the first year.

Jusco's Mr Miyoshi believes cars will be sold increasingly through retail outlets such as shopping centres. To that end, the company has made sure in its contract with Subaru that it will not be restricted to selling Subaru cars.

"Storefront sales are becoming increasingly important," says Mazda's Mr Yoshida. This in turn means that retailers must offer something exciting or exotic to attract people. Mazda aims to sell 500 Citroen units a month but Mr Yoshida admits that one of the benefits of selling imports in Mazda's own outlets is the "synergy effect" they will have on the sales of Mazda's own cars.

"If there is a Citroen in the store people will say, 'let's go see'," he says.

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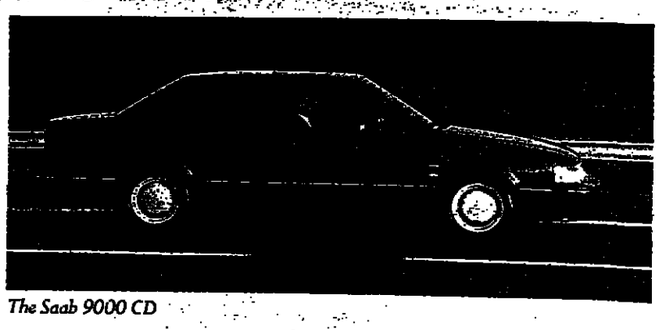

The Saab 9000 CD

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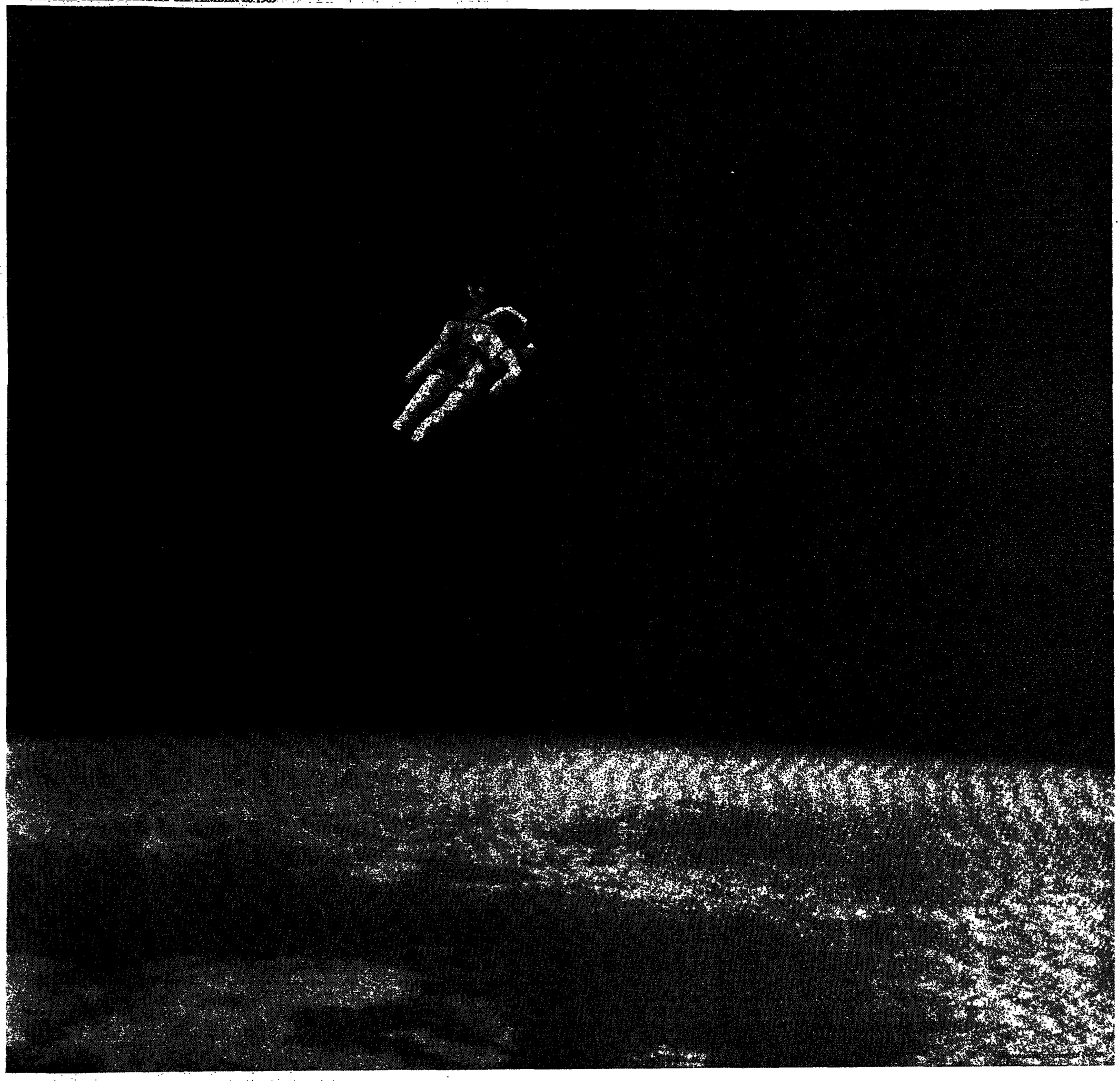

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Sizewell nuclear power plant £170m over budget

By Max Wilkinson and David Green

THE COST of Britain's latest nuclear power station, at Sizewell in Suffolk, has run £170m over its budget in the first two years of construction, it was disclosed yesterday.

The Central Electricity Generating Board (CEGB), which is managing the project, said the new pressurised water reactor (PWR), the first in a planned family of four, was now expected to cost £1.86bn in 1987 money. This is 59 per cent more in cash terms than the CEGB estimated at the time of the public enquiry into the project in 1981.

After the electricity industry is privatised next year or in 1991, control of the nuclear plant is expected to pass to National Power, the larger of the two generating companies which will take over the CEGB's power stations.

Under the Government's plans all the nuclear costs, including over-runs in capital spending, will be passed on to electricity consumers via a special nuclear levy. The 12 area distribution companies will be obliged to purchase the output of all of the planned and existing nuclear power plants. Negotiations on the initial size of the nuclear levy have now reached a critical phase.

Much of the rise represents inflation – UK factory gate prices rose 37 per cent in the period – but the latest increase, which cannot be accommodated within the £200m contingency reserve, is for unforseen cost increases in three main areas: site construction, the nuclear steam supply system and in controls,instrumentation and computer software.

A spokesman for the board said the over-run was "bad news, whichever way you look at it" and the new figures had caused a "great deal of agonising".

The higher costings were presented yesterday to the public inquiry into plans for a replica PWR ar Hinkley point in Somerset. The inquiry was told that only some of the additional costs would be incurred at Hinkley, adding perhaps 3 to 4 per cent to the overall budget, and raising the estimated cost of all four PWRs from £5.9bn to £6.2bn.

Since 1981, £100m has been added to the cost of the Sizewell plant as a result of the delays caused by the inquiry, a further £80m was added because the CEGB now counts in the cost of the initial charge of nuclear fuel and a further £300m reflects the general inflation of power station costs.

The latest 10 per cent rise has been caused by additional payments to contractors on the Sizewell site to keep the project on schedule, design changes to the steam system to make inspection easier, and additional costs for control systems. A spokesman said final design of the control systems had been left until late in the project in order to take advantage of the latest developments in equipment. This had resulted in extra costs.

The increase in costs will make the PWR family look significantly less attractive economically compared with an equivalent-sized coal- or gas-fired installation.

Dr Derek Bunn, chairman of the decision sciences department at the London Business School and author of a recent study on comparative generating costs, said yesterday that the new cost figures suggested that a nuclear plant could not be competitive with a coal plant unless a low return on capital was assumed – about 4 per cent after tax and depreciation. When the industry is privatised, however, investors will be looking for a return of nearer to 7 per cent.

Friends of the Earth, the environmental pressure group, said the new cost estimates would "send shivers of doubt through the City" and hasten a decision by the Government to leave the whole of the nuclear industry in the public sector.

In July, the Government announced that it had reversed an earlier decision to privatise the elderly Magnox nuclear power stations, mainly because of large increases in the cost estimates for dismantling them.

The new cost estimates may mean a delay in completing the Hinkley inquiry which was due to finish tomorrow. Mr Michael Barnes QC, the inspector, is to consider giving objectors the chance to cross-examine the board on the revised costs. He may then adjourn the inquiry.

In Brief

Tories to debate Ulster affiliate

The Conservative Party conference will this year for the first time debate an application for affiliation by the Conservative Association of North Down, Northern Ireland.

The motion, if adopted, could mark the start of a move into Northern Ireland politics by the main UK parties. The decision to allow the debate highlights a softening in opposition among senior Conservatives to the formation of local parties in the province.

In the past, senior members have argued that the development would split the pro-Union vote, improving the election prospects of nationalist parties.

Oxford St deal

London & New York Estates, the property company run by Lionel Kustow, and Robert Fraser the investment bankers, are buying Colgate-Palmolive House on Oxford Street for £40m.

Penguin verses

Penguin Books is expected to publish a paperback version of Salman Rushdie's controversial novel The Satanic Verses towards the middle of next year, though the publishers say no date has been set.

Shell sued

The National Rivers Authority is to prosecute oil company Shell UK over last month's spillage of more than 150 tonnes of Venezuelan crude oil into the River Mersey from a pipeline at the Ellesmere Port refinery.

Ulster boost

Almost £500m, including more than £93m from the EC, will be spent on improving Northern Ireland's transport infrastructure in the next five years, Ulster's Economy Minister Richard Needham said in Brussels.

New paper expands

The Sunday Correspondent plans to print about 700,000 copies this week after estimated sales of between 550,000 and 600,000 for its second issue on Sunday, which chief executive Nick Shott said exceeded targets.

Police find City frauds widespread

By Richard Donkin

MORE than half the City of London financial institutions questioned in a police crime survey had been the victims of fraud, a senior detective said yesterday.

Detective Superintendant Don Randall, of the City of London police fraud squad, told delegates at the International Police Exhibition and Conference in London that from July 1988 to July 1989 the police could point to £477m obtained by fraud or subject to fraud within the Square Mile, which comprises both its jurisdiction and the main London financial area.

He said that nearly 50 per cent of the 55 City institutions that took part in the police survey earlier in the year had lost out to fraudsters.

Less than a third of companies in the survey said they reported all frauds to the police and nine of the companies questioned admitted they had not reported specific frauds to the police.

In one unreported case the amount stolen was between £1m and £10m. Two cases were between £100,000 and £250,000 and the rest involved sums of less than £100,000. Two cases of reported fraud were in excess of £10m.

Mr Randall said that when asked why the cases were not reported five companies gave no answer.

In 61 per cent of the cases the fraudster was an employee, although the figure could be higher because nearly a third of the banks and institutions asked whether an employee carried out the crime did not answer the question.

In companies which admitted that employees were responsible, 38 per cent were found to be directors or managers.

Mr Randal said that nearly a fifth of the companies questioned said that they would not report a fraud if adverse publicity ensued.

Questionnaires were completed by 15 merchant bankers, 31 foreign banks, one assurance company, one discount house, one security broker, five investment and four general banking houses.

More than 65 per cent of the sample had no policy for dealing with fraud.

The City police have put together a contingency plan called Fraudstop to guide and assist companies which could find themselves victims of large-scale frauds.

Co-ordinated and speedy responses to City frauds, coupled with new powers available to the Serious Fraud Office, had helped the police save companies from a number of serious crimes, said Mr Randall.

He said: "In recent times covert action has prevented loss in excess of £81.5m and 90 people have been arrested."

Barclays unprepared for volume, ships credit vouchers to the US

by David Barchard

GROWING VOLUMES of credit card business are forcing Barclays Bank, the largest of the Big Four clearing banks, to fly credit card vouchers to the US for processing.

A Barclays spokesman confirmed yesterday that the bank had sent 3m vouchers, equivalent to about half a typical week's work for Barclaycard's processing operation, to a company in Kentucky.

"This is the first time we have ever done such a thing," he said. "Basically it reflects Barclays' success in offering combined Visa and MasterCard facilities to retailers and the steady rise in volumes of business which has followed this."

Barclays is by far the largest UK issuer of plastic cards, with over 10m domestic credit and debit cardholders. It is also the only bank with a long-established sales team offering credit card services to retailers, because of its role as the first Visa bank in the UK.

All the other banks competing for retailer credit card business have had to build their sales forces up during the past nine months since the banks began to compete with each other in this area.

Other credit card issuers were yesterday sceptical about Barclays' claims of success in winning over retailers.

"What this really shows is that the UK credit card processing industry is not sufficiently well developed to stand the strains it is being placed under," said one banker. "In the US, it is quite routine for excess business to be shifted between card processing firms."

Apart from Barclaycard's own operations, there are only two other principal card processors in the UK - Signet, renamed from the Joint Credit Card Company, which processes Access credit cards, and FDR, a subsidiary of American Express.

Machine tool market holds up

By Nick Garnett

THE UK market for machine tools seems to be holding up better than some observers had predicted, despite recent rises in the cost of capital investment caused by interest rate rises.

But continuing strength in the domestic market will almost certainly help worsen Britain's trade deficit in machine tools, according to latest figures from the Machine Tool Trades Association.

Total machine tool imports in the first six months of this year were worth £246.6m, a jump of 20 per cent over the period last year. Exports were marginally down at £186.6m, compared with £189.6m for the same period in 1988.

The total trade deficit in machine tools last year was £25m, compared with a peak deficit in 1988 of £112m. The last trade surplus, one of £16.6m, was in 1983.

The association estimates that output from UK machine tool makers continues to rise. Production in the first quarter of 1989, the latest figures available, was worth £230m, a rise of 23 per cent on the first quarter of 1988.

It makes the estimate by using Department of Trade and Industry figures, subtracting an element for refurbishment of secondhand machine tools.

Production from UK machine tool factories last year, at £842m, was up 30 per cent on the £644m of 1987.

Business tax change warning

By John Mason

THE national business rate, which will be introduced next April, will mean rate rises of more than 50% for one third of all business premises and at least 110,000 job losses, Mr Jack Cunningham, Labour's Environment spokesman, warned yesterday.

Speaking at the Rating and Valuation Association annual conference in Brighton, he said the new business rate – the revised, uniform property tax to be introduced in England and Wales alongside a revaluation of premises - would also lead to bankruptcies.

Dr Cunningham said Inland Revenue figures published in July showed that of 1,662,000 business properties in England and Wales:

- 275,000, or 16.5% face increases of over 100%.
- 249,000 or 15% face increases of between 50-100%.
- 443,000 or 26.7% face increase of between 5-50%.
- 107,000 face little change.
- 488,000 will have reductions of between 5-50%.
- 102,000 will see reductions of over 50%.

Mr Cunningham said that a revaluation was long overdue – the last was held in 1973 – but for it to coincide with the new business tax would have a totally unreasonable impact.

Mr Cunningham said that the transitional arrangements to protect small businesses were bogus.

He said that they did not cover moving premises after March 31 1990; businesses set up after the introduction of the business rate could not qualify for protection; the appeals period was restricted to 6 months and assessments could be increased by the valuation tribunals.

CSO expects growth rate to pick up within a year

By Simon Holberton, Economics Staff

GROWTH in the British economy might begin to accelerate this time next year, according to the Central Statistical Office's longer leading indicator of the economy.

The longer leading indicator, which attempts to pick up turning points in the economy a year ahead, is provisionally estimated to have risen last month, reversing the consistent declines since mid-1987.

However, the CSO's two other main cyclical indicators point to flat or declining growth in the months ahead. The shorter leading indicator, which picks up turning points in the economy six months hence, and the coincident index, which moves in line with the business cycle, suggest only sluggish growth.

The CSO notes that since the recession of 1981, UK growth has been "exceptionally stable" compared with previous periods.

For that reason, the peaks and troughs in activity during the 1980s have been less severe.

Since 1981, the trough in the economic cycle has been placed provisionally at August 1986, and the subsequent peak put early in 1988.

Doctors urge Clarke to rethink

By Alan Pike, Social Affairs Correspondent

THE AUTUMN offensive over the Government's proposed health reforms began yesterday, with the British Medical Association producing an opinion poll showing rising public opposition to the plans.

BMA leaders will meet Mr Kenneth Clarke, Health Secretary, tomorrow and urge him to reconsider his idea of budgets for family doctors.

BMA leaders representing all branches of the medical profession will renew pressure on Mr Clarke, at a further meeting next month, to slow the pace of his planned reforms.

The moves take place before the expected introduction of a Bill, in the coming parliamentary session, to enable changes to the National Health Service to take place from 1991.

The BMA poll, conducted by Gallup at the end of last month, shows 73 per cent of voters disapproving of the proposed changes, slightly up on the 71 per cent who disapproved in a similar poll in June. Among Conservative voters, 44 per cent disapproved, while only 34 per cent approved.

Dr John Marks, chairman of the BMA Council, said yesterday the poll showed public opposition to the Government's draft legislation, Working For Patients, as strong as ever, or increasing slightly.

He said the Government had failed to convince the public to support its plans. "The best salesmen in the world cannot sell a flawed package and this is a flawed package."

The poll found that 63 per cent did not believe the proposals would improve efficiency, 67 per cent thought they would result in the cheapest rather than the best treatment, and 75 per cent regarded them as the first stage in privatising the NHS.

Moslems are divided but launch Islamic Party of Britain

Alan Pike examines the origins of the country's newest party and growing calls for religious and political recognition

AT THEIR headquarters in a former industrial building in a Birmingham suburb, leading members of Britain's newest political party discuss their philosophy.

"We shall be offering a moral viewpoint which we believe many people, even if they do not share our faith, will feel able to support," says Abdurrahim Green, youth spokesman of the Islamic Party of Britain.

Like its headquarters, still undergoing conversion and as yet largely unfurnished, the Islamic Party of Britain does not look quite ready to challenge established voting patterns. Britain's Moslems are divided over whether it should have been founded at all.

Yet it is an event which the other political parties cannot ignore completely, because it is a symptom of a fast-growing demand for greater political and social recognition which is shared by the entire Moslem community.

The Islamic Party of Britain will field candidates in parliamentary and local government elections where it decides it is appropriate to do so. It is equally concerned to act as a pressure group on the main parties, lobbying for pledges of greater attention to issues of concern to Moslems.

About half the party's executive body of leading speakers are British-born white converts to Islam. One, Mr Uthman Barry, the environment spokesman, says the party regards this as a sensible strategy when it has to communicate its policies in an atmosphere of distortion and prejudice. "People can't tell us to clear off back where we came from, which is the reaction a lot of Moslems receive when they try to raise issues of concern."

The party has produced a series of short policy documents setting out its initial position on subjects ranging from the future of the National Health Service – which it supports as an excellent example of an institution according with Islamic principles, providing care based on need rather than wealth or influence – to defence and agriculture.

In its founding manifesto, the party says it will not simply confirm the British political system or emulate it, but accept it as a starting point. In addition to defending and advancing the rights of Britain's Moslems, the manifesto says the party will "present a viable political, economic and social alternative to the British people."

Membership will be open to all Moslems, male and female, and anyone who ceases to be a Moslem will cease to be a member. The leaders say the party will be financed from members' subscriptions.

Mr Abdurrahim Green says talks about the possible foundation of a political party for Moslems have taken place intermittently over many years – the Islamic Party is not simply a result of the furore over novelist Salman Rushdie's book The Satanic Verses, which caused deep offence to Britain's Moslems and left many feeling powerless within the political system. He accepts that there have been differences over the formation of the party, but says majority Moslem opinion favours it.

This view is not shared a few miles across the city at the Birmingham Islamic Centre where Mr Maulana Abdur Rahim, the centre's director and president, opposes formation of the party. A £1m development programme taking place at the centre, which houses a mosque, boys' secondary school and cultural centre, testifies to the strength of Islam in modern Birmingham, where there are some 100,000 Moslems.

"I do not believe integration or the needs of British Moslems will be best served by separate parties. We are British and have to operate through the existing parties. There are several Moslem members of Birmingham City Council and eventually there will be Moslem MPs elected on behalf of the main parties. This is the way forward."

Mr Abdur Rahim is chairman of the co-ordinating board of Birmingham's Moslem organisations. He says his colleagues on the board, and the communities they represent, share the view that a separate political party is a mistake.

But his opposition to the formation of the Islamic Party does not mean he is satisfied with the treatment of the Moslem community within the British political structure. The continuing outcry over The Satanic Verses, published a year ago this week, relatively poor housing in the inner cities, disproportionately high unemployment and single-sex education are all issues of immediate concern.

On a broader level than the Rushdie uproar, with its implications for blasphemy law – which applies at present in Britain only to Christianity – is a delicate question about the overall relationship between British law and Moslem personal law, which diverge on issues such as divorce, marriage and inheritence.

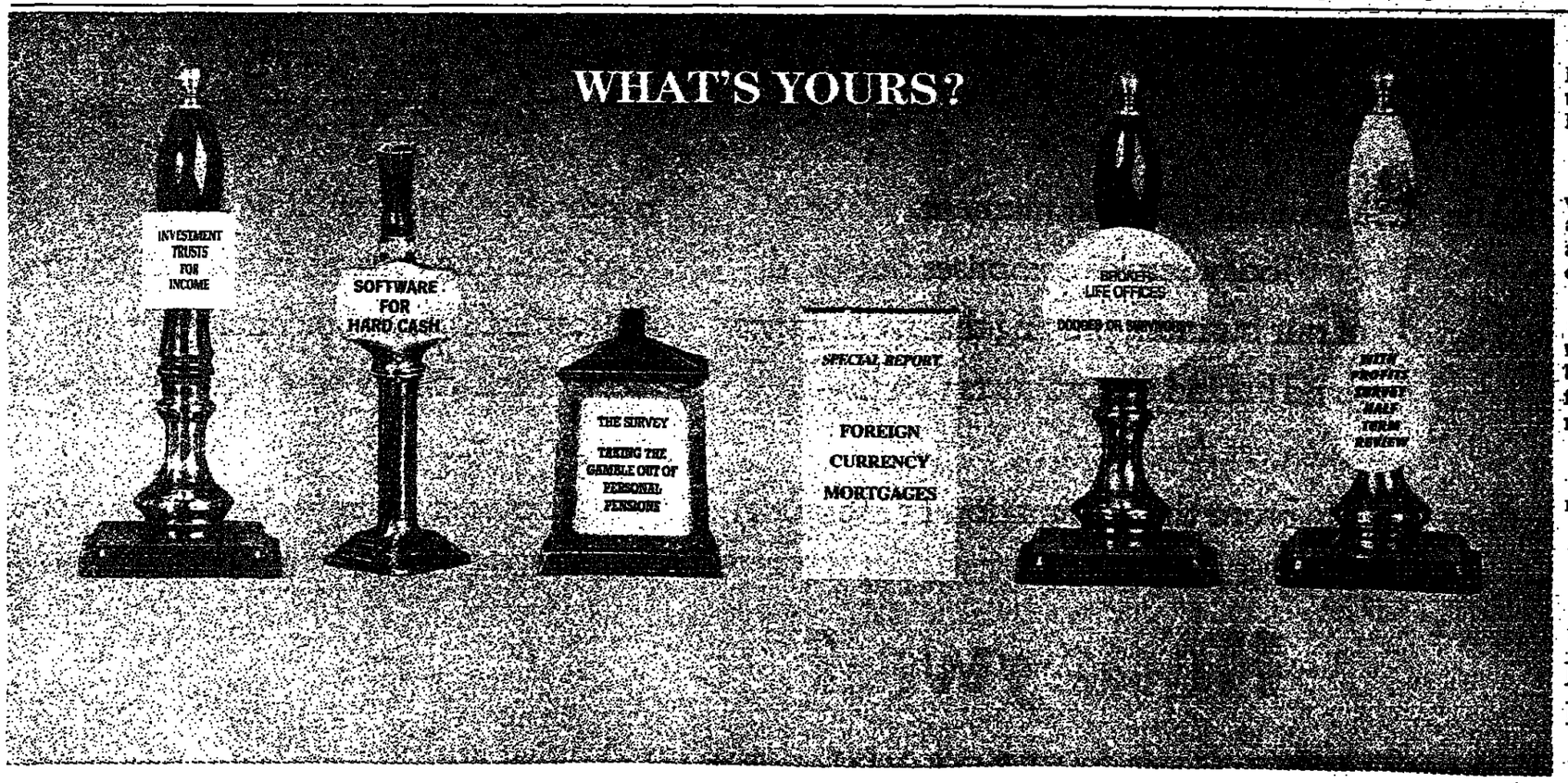
"A British court can divorce a woman, and she finds that she is not considered divorced by her husband under Islamic law," says Mr Abdur Rahim. "We are trying to resolve severe social problems which this is causing for hundreds of families."

The Government has shown itself determined not to consider resolving such problems by allowing Britain's Moslems to run a separate social system within a looser framework of national law, as some of the community's leaders might like.

In the summer, Mr John Patten, the Home Office Minister responsible for race relations, wrote to Moslem leaders emphasising that while Britain offered plenty of room for diversity and variety, there was no room for separation or segregation.

He said that no religious or racial group should be expected to forfeit its faith or roots, but between all groups there must be the shared link of "being settled in Britain.

Britain's Moslems, awakened to political protest and united by the Rushdie affair, are debating these questions and not always coming to the same conclusions as ministers. The Islamic Party of Britain, whatever strength it proves to have, is a sign that the Moslem community's concerns are moving onto a wider, national agenda.



It's difficult to decide which of the potent articles to read first in this October's issue of Money Management.

The biggest survey yet on personal pensions; with over 4,000 figures comparing past results, and the effect of charges on projected maturity and early transfer values for every type of plan on the market?

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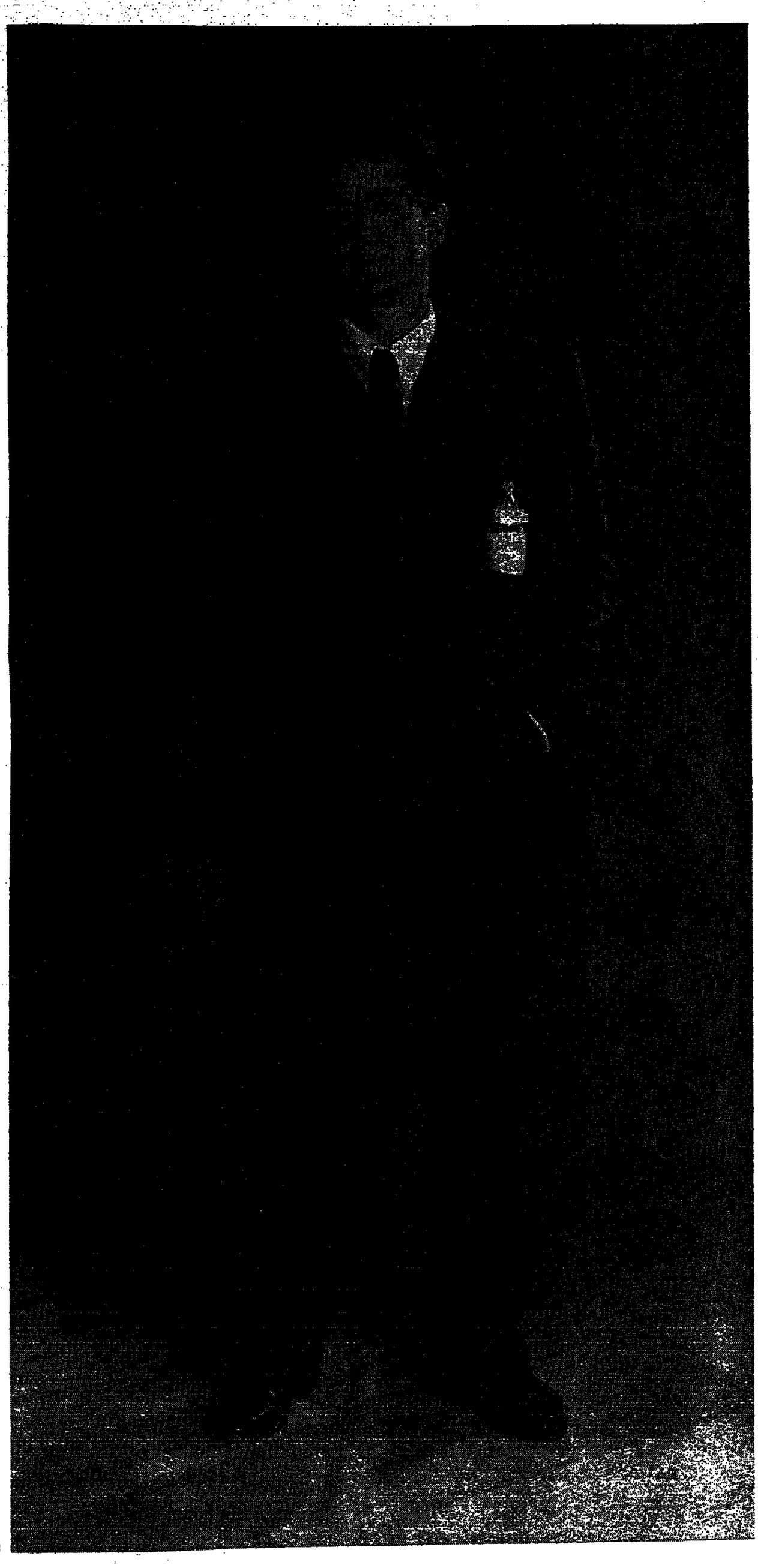

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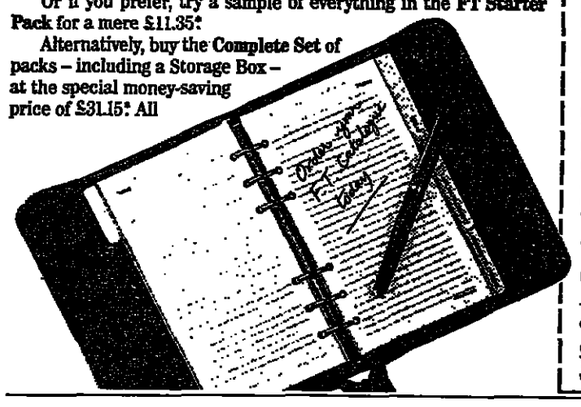

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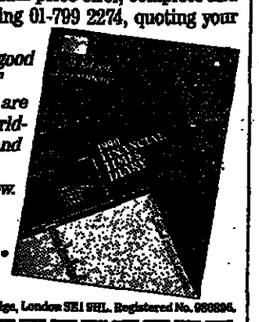

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UK NEWS

Surveyors to merge with French property group

By Paul Cheeseright, Property Correspondent

EDWARD ERDMAN, the London chartered surveyor, is to merge with Auguste-Thouard of Paris, the largest firm of property advisers in France.

This is the first full-scale merger planned by a British chartered surveyor with a firm in continental Europe.

It is a further step in the realignment of British chartered surveyors in the face of increased competition from the financial sector and the expected increase in business resulting from the lowering of Europe's trade barriers.

Immediately Erdman and Auguste-Thouard exchange 15 per cent of each other's equity and each will appoint two directors to the other's board. A joint name will be adopted next year and the merger will be completed in three years.

Erdman, in chartered surveying terms, is a medium-sized London firm with a staff of 400 and is probably best known for its retail property work. Established 55 years ago, it has branches in Leeds and Glasgow. Auguste-Thouard has a staff of 500 in 22 branch offices throughout France and offices in Madrid and New York.

The merged company will be one of the largest property consultancies in Europe, according to Erdman yesterday. The combined revenue of the companies this year is about £55m.

British chartered surveyors have long been active in continental Europe. The larger firms such as Jones Lang Wootton, Healey & Baker, Weatherall Green & Smith and Knight Frank & Rutley have branches in the main centres.

Others have formed associations with foreign firms – Debenham Tewson & Chinnocks has links in West Germany and the Netherlands, while earlier this month de Morgan Group linked up with a Luxembourg firm.

Generally there has been an increase in European activity as part of a wider search for expansion overseas by British chartered surveyors – hence acquisitions by Drivers Jonas in Canada and Hillier Parker in Hong Kong.

Erdman's move is designed to provide it with a European market and secure its corporate future. There has been a spate of mergers and acquisitions among British chartered surveyors since 1985, when it became legal for them to take in outside capital. At the same time their position as property advisers has been under threat from finance houses establishing their own property arms.

Erdman and Auguste-Thouard will start their merger by setting up a subsidiary in Barcelona.

Chemical groups discuss UK waste site

By Peter Marsh in Geneva

MONSANTO and Ciba-Geigy, two big chemicals companies, have held informal talks on building a waste treatment incinerator in Britain to destroy hazardous chemical residues from their UK plants.

The talks on the incinerator, the planning of which is still at an early stage, illustrate the financial and technical problems for many large chemicals groups in dealing with solid and liquid waste.

It is believed that US-owned Monsanto and Swiss-based Ciba-Geigy may be unwilling to push their plans further because of widespread public disquiet about the safety of chemical incinerators.

However, the two companies are anxious to explore the project as a way of tackling long-term problems about securing adequate waste disposal.

UK plants run by Monsanto and Ciba-Geigy at present dispose of some more hazardous residues by transporting them to high temperature incinerators in Britain run by contractors such as Eechem and Cleanaway.

However, demand for the services by UK chemicals companies is high, meaning contractors can charge high prices. Also, many chemicals groups are attracted by the idea of dealing with waste themselves rather than transporting ito outside groups.

The industry believes that disposing of residues internally provides better guarantees over technical reliability and also minimises safety problems.

Possible sites for a new joint-venture incinerator in Britain run by the two companies could either be in South Wales – near the Newport plant operated by Monsanto – or near Grimsby, on the north east coast, close to a large Ciba-Geigy factory.

The chemical industry believes that high temperature incineration is safe, providing high technical standards are adhered to. But both Monsanto and Ciba-Geigy realise they might have problems gaining planning permission for a plant, the likely cost of which would be about £10m.

Rubber group restructures manufacturing

LONDON International Group, the maker of Durex condoms, has announced plans to restructure its international manufacturing operations.

Manufacturing will cease in its smaller plants in West Germany, the Netherlands and New Jersey in the US. Condom manufacturing will be concentrated in Chingford in the UK, Bologna in Italy, Barcelona in Spain and South Carolina in the US.

The restructuring, which will be completed by the middle of next year, will make about 200 jobs redundant.

● Storehouse, the retail group headed by Sir Terence Conran, has set up Habitat International to manage its Habitat brand worldwide.

Habitat International will direct and co-ordinate the marketing, range planning and buying operations for the more than 100 shops around the world.

Habitat plans to open a shop in Barcelona next month. Franchisees operate Habitat shops in other countries.

House prices show patches of firmness

By Andrew Taylor, Construction Correspondent

STATIC prices and housing chains, where property sales are linked to house buyers' own ability to sell, were beginning to affect many areas of northern England, but some house buyers were starting to return to the market in hard-hit parts of south-east England, according to a survey published yesterday of estate agents in England and Wales.

London's market remained depressed. Agents there said buyers were still forcing down prices. Some people were selling their homes and renting to await a bargain buy.

The monthly survey by the Royal Institution of Chartered Surveyors, asked more than 100 agents how prices had moved during the three months to the end of August.

More than half said prices had fallen; another third said prices were static. Less than 15 per cent said prices had risen.

The institution drew some consolation from a higher level of activity in East Anglia and parts of south-east England. Some properties were selling for figures similar to those achieved in the early part of 1988. Sales in both regions remained depressed.

The institution said higher activity in East Anglia was due to dramatic price falls during the first six months of this year, which had encouraged some first-time buyers back into the market. First-time buyers had also emerged in parts of south-east England.

Midlands sellers were reducing prices by 10 per cent to 15 per cent to encourage buyers, said the institution.

A survey of agents in Yorkshire and Humberside showed almost two thirds of agents had reported static prices, another fifth said prices had fallen in the period.

The fall in the market was due to high mortgage interest rates; summer holidays and the cessation of affluent buyers moving to the region from southern England.

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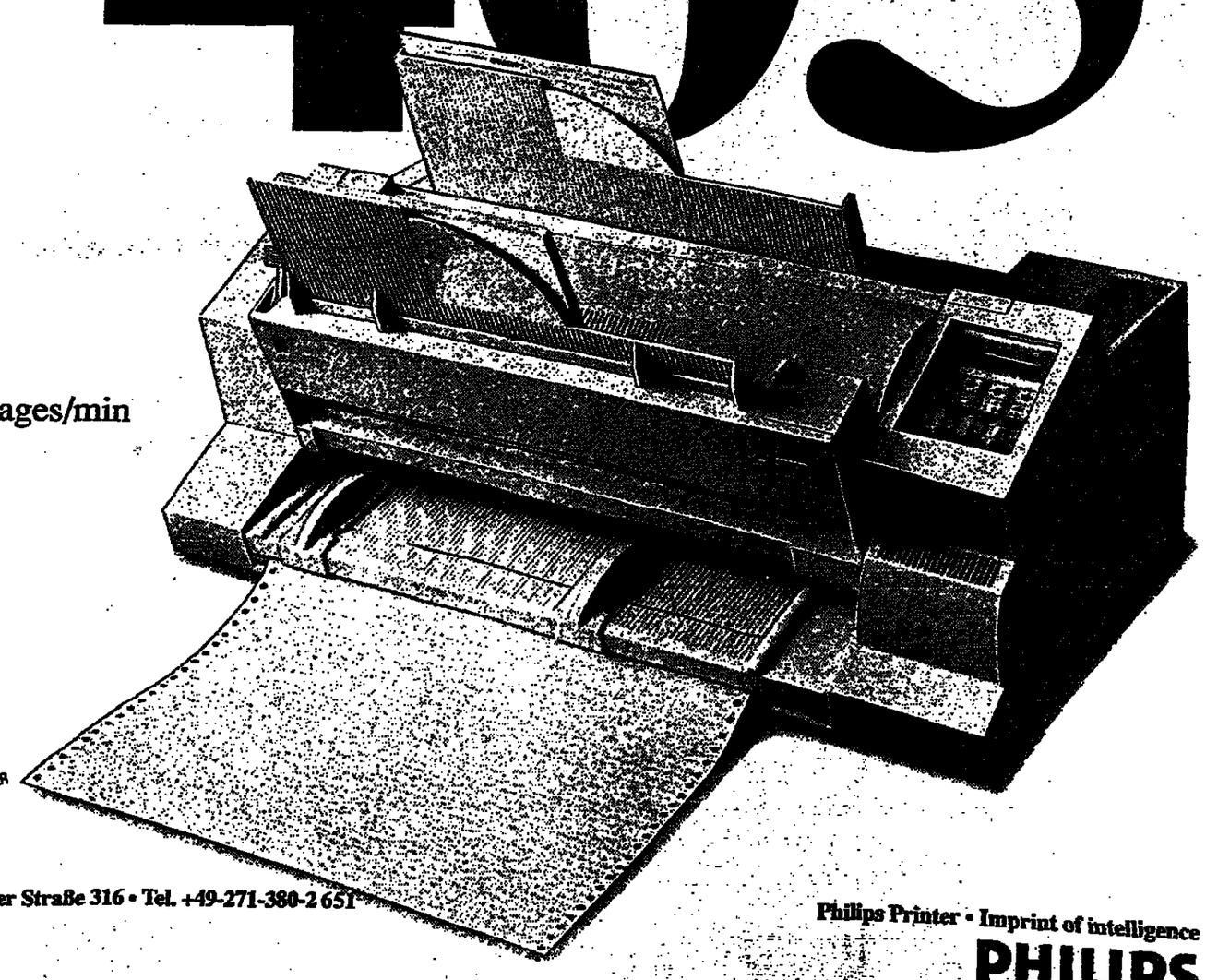

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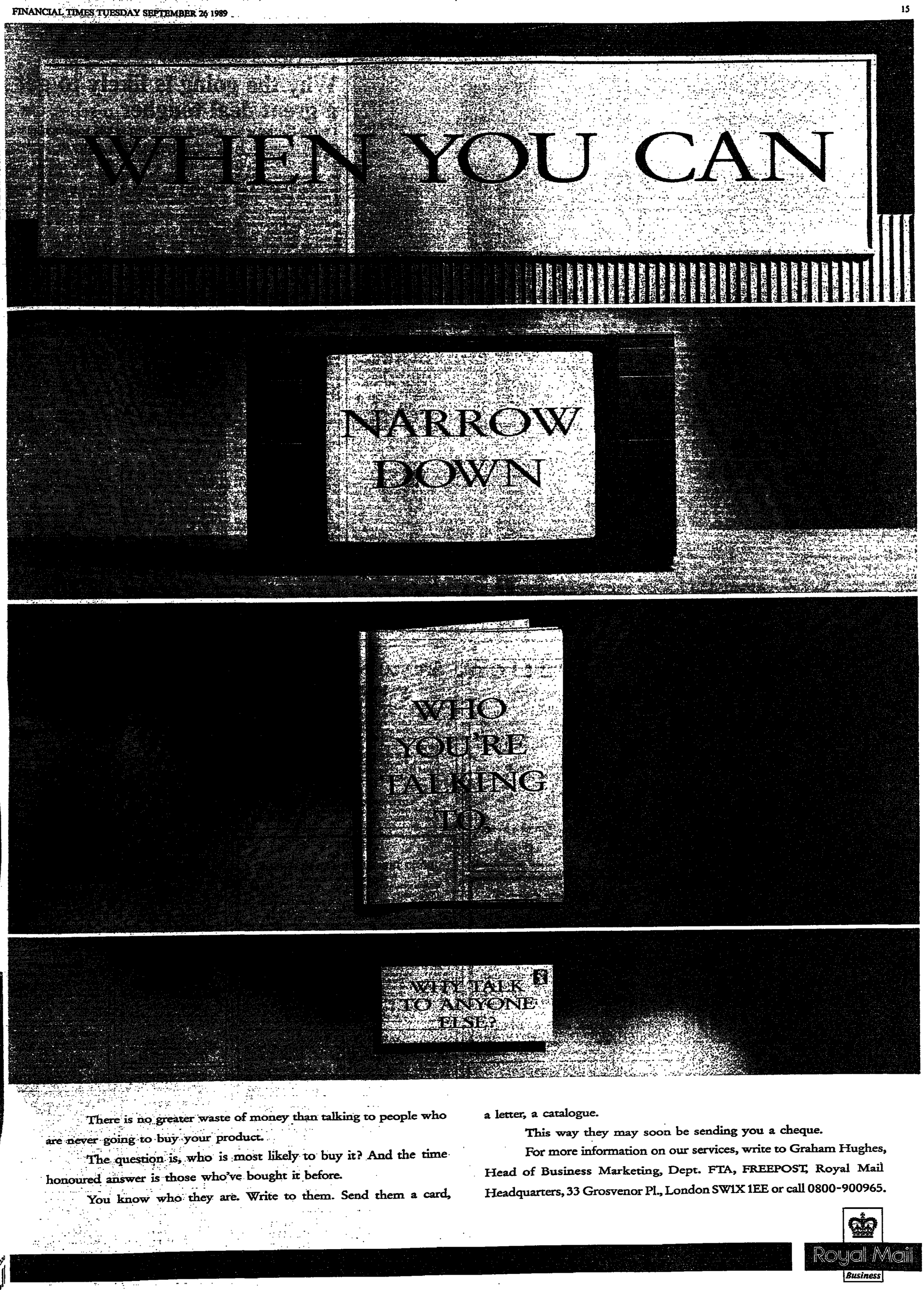

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Soviet markets

An appetite for joint ventures

By Hester Thomas

When in 1987 the design and marketing group, Pencil, created a new corporate identity for the British-Soviet Chamber of Commerce, its managing director Martin Nunn had no idea that what for him was a one-off project would rapidly lead to work with clients in the Soviet Union.

He estimates that Soviet contracts now account for 60 per cent of the company's work.

Pencil, a nine year-old London-based company, employs 20 people and has an expected turnover in 1989 of over £1m. It is now in the process of forming a joint venture design and marketing company with Mortechinformreklama, the advertising division of the Soviet ministry of merchant marine and the country's third largest advertising agency.

The Soviet Union is restructuring its economy, devolving economic decision making away from central government agencies and allowing individual enterprises greater autonomy. Those enterprises which believe they can enhance their venture with the assistance of Western help are being encouraged to do so.

Priority areas include agro-industrial complexes, high technology, the pulp and paper industry and light industry such as clothing and shoes.

Joint ventures are not the preserve of the large conglomerates; small companies have also become involved. January 1989 saw the registration of Parallel – a joint venture between computer software company Autodesk and Infograf, a production/scientific co-operative under Gosstroy, the Soviet State Committee on Construction.

Autodesk employs 55 people and had a turnover in 1988 of £6m. Parallel will distribute Autodesk's and its own software in the Soviet Union and will develop and produce programmes for sale there and in the West.

Cambridge-based Sands Technology was formed in 1986, employs five people and had a turnover in 1988 of £250,000. It designs and subcontracts the manufacture of low cost multi-purpose bench-top industrial robots. Its joint venture, Ural ST, with the Scientific and Engineering Centre in Sverdlovsk, was registered in March 1989. It was formed to manufacture Sands Technology robots under licence and sell them in Comecon countries.

The attraction of the Soviet Union to Western companies centres on its potential – an untapped market of 286m consumers. However, since the rouble is unconvertible and hard currency is limited, many Western companies are discouraged by the difficulties of finding acceptable methods of payment. Neither Pencil nor Sands Technology had ever considered the Soviet Union as an obvious target market for their services and products.

Pencil was persuaded to do so after an approach by Orbital Services, a British company which had seen Pencil's work for the British-Soviet Chamber of Commerce and was looking for suitable companies to introduce to Mortechinformreklama.

Sands Technology was approached by its eventual joint partner following a recommendation to the Scientific and Engineering Centre from Dinamika. This, the first Anglo-Soviet joint venture company, is concentrating initially on marketing programmes in the West and had seen Sands' work in the UK. David Sands, managing director, was at first sceptical. "We're a small operation and going international seemed like we were trying to run before we could walk."

He was, however, persuaded to consider the potential venture seriously when he learned that it employed Professor Gurin, head of engineering at the Polytechnic of the Urals. Autodesk perceived potential for its products in the Soviet Union after receiving speculative letters of interest from Soviet enterprises operating in similar fields.

The company made an exploratory visit in 1986, attending a trade exhibition. An approach from the Research Institute of Gosstroy led to Autodesk setting up a training centre in Moscow on a non-commercial basis in the hope that this would lead to greater things. When some of the centre's staff left to form Infograf they suggested a joint venture with Autodesk.

There are profound differences in culture and business philosophy between the two nations. Martin Nunn points out that marketing has had no place in Soviet business, yet Mortechinformreklama was keen to learn about it and apply it. "The hardest thing was for us to find a common vocabulary on business and design and a common understanding of that vocabulary," he says.

Sands Technology, which has a 20 per cent share of Ural ST, its joint venture company with the Scientific and Engineering Centre, discovered its partners had a different understanding of capital. "We had to convince them that the designs which we were putting into the company were worth money," explains David Sands. "They thought we had to do 20 per cent of the ongoing work. We eventually convinced them that our designs represented 20 per cent of the work."

David Sands: selling desk-top robots to Comecon countries

Differences in language can also cause problems. Richard Handiside, managing director of Autodesk, believes it is important not to rely totally on the Soviets speaking English and to understand, among other things, Russian asides. He now speaks some Russian and employs two Russian-speaking administrative personnel in the UK.

Day-to-day practicalities of doing business in the Soviet Union require time and patience. Communications are a major problem. Local and international phone lines are overloaded and it can take repeated attempts to make a call or send a fax. Organising flight, rail and hotel reservations is difficult and expensive.

The Soviets like to build up personal relationships with face-to-face meetings. However, Sands advises: "Try and resist it. Ask yourself, is the meeting really necessary?" He has been to two meetings. Handiside spends an average of three days a month in the Soviet Union and Nunn spends a week there.

All three joint ventures involve the UK partner supplying expertise, designs and computer equipment with the Soviet partner providing expertise, people and buildings. Autodesk estimates that it has made a capital investment of £100,000 in its venture from the company's own resources.

Sands Technology has spent just £5,000 setting up the venture: on solicitors' fees and, at £90, the cheapest return flight to Moscow. No capital has been injected. Pencil is still negotiating its terms. However, Nunn estimates that he has spent £50,000 from the company's own reserves over the past 18 months on air fares and hotels – a hefty sum but one which he believes will be worthwhile in the long term. He estimates that within two years the venture could be turning over "a six or seven figure sterling sum."

Sands Technology found that the DTI's Soviet desk and the British Embassy in Moscow gave helpful advice on exporting and visas. Nunn recommends getting the best professional advice available.

Both Pencil and Autodesk appointed the solicitors Baker and McKenzie, with offices in London and Moscow, to handle their affairs. "You can't just waltz in and sign a contract on the spot. It's a long term business," says Handiside.

Companies can also do things to increase their chances of success. Nunn believes he won goodwill by employing a Russian to give the first presentation. Handiside believes the Soviets recognised his company's commitment to a potential Soviet venture when he set up the training centre. All three companies are sanguine about the future. Autodesk claims its venture is profitable.

Says Handiside: "I expect a hard currency turnover of between £250,000 to £500,000 and a soft currency turnover of five million roubles this year." The profits, both hard and soft currency, are split 51 per cent Autodesk: 49 per cent Infograf – in accordance with each partner's share of the venture. Meanwhile, Sands Technology expects to receive royalty payments of £20,000 this year, of which half will be profit.

Enterprise in the year 2000

Why the going is likely to get a great deal tougher

Charles Batchelor on predictions about the UK trading climate

Small businesses in Britain will have more of a fight for survival in the 1990s than they have had in the present decade. After a period of rapid expansion in the numbers of small firms and of people in self-employment during the 1980s the world will become a more hostile place.

These were among the conclusions of papers presented at a two-day workshop on the subject of The Small Enterprise in the Year 2000 held last week by the Small Business Research Unit of Kingston Polytechnic. Researchers looked at employment in small firms; the position of women and the ethnic minorities; the prospects for high-technology firms; and the role of the banks over the next decade.

The outlook is not entirely gloomy and small firms have shown great resilience in the past but, on balance, life will get tougher, according to James Curran, head of Kingston Polytechnic's small business unit.

Small firms will suffer more than large from the expected decline in the numbers of young people entering the labour market. In addition, any rise in the numbers staying on in further education will compound the problems because small firms have tended in the past to recruit people straight from school.

This may force small firms to recruit older workers who will expect higher wages, Curran said. There will also be increasing competition from large companies which tend to be more innovative, introducing, for example, crèches and fostering close links with schools and colleges.

Government help for small firms may also decline, Curran warned. There are already some indications that small firms are less central to the government's economic policies and this type of assistance may not continue.

Much small firms' growth in the 1980s has come from a shift in economic activity from manufacturing to services. But the services sector is expected to grow more slowly in future while competition from large companies may increase.

The severe tightening of the labour market in the 1990s and the continuing reduction in unemployment levels are expected to reduce the number of new firms which are set up and restrict the growth of existing small firms, according to Steve Johnson of Leeds Polytechnic.

Labour shortages will reduce the numbers of "marginal" workers who form an important part of the small firms workforce and of specialist managers and professional staff essential for expansion.

The impact of this is likely to be a slight net decline in the numbers of new firms registering for VAT in the period up to 1995. Under this gloomy scenario nearly 190,000 new firms would be registered each year but their numbers would be more than compensated for by the numbers going out of business. The total stock of VAT-registered businesses would fall marginally from 1.6m in 1989 to 1.59m in 1995.

> **'A national policy of promoting high-technology firms, on the lines of Japan's support for industry, is required if Britain is to make the best use of its innovative small firms sector'**

Businesses owned by the ethnic minorities are expected to make a larger contribution to the UK economy partly because of the relative youth of the ethnic population but also because of signs of a growing interest in business ownership on the part of young black people, said Robin Ward of Trent Polytechnic.

Second generation immigrants are acquiring technical and professional skills but may still find self-employment attractive as a way of overcoming social discrimination. However, black and Asian entrepreneurs who have built up businesses by specialising on ethnic niche markets must expect tougher competition from their own ethnic groups.

Labour shortages are likely to increase the opportunities for women though they suffer a number of disadvantages, said Sheila Allen and Carole Truman of Bradford University.

A lack of domestic support makes it difficult for many women to go into business; subsidies for manufacturing and high-technology companies are of little use to women who tend not to choose these sectors; while women need to be more actively targeted by agencies such as the enterprise agencies.

A call for more help for Britain's small high-technology firms was made by Ray Oakey of Heriot-Watt University. These firms tend to depend on their own resources for research and development funds; are poor at marketing; and succumb to take-over offers from larger companies before they grow to any size, he said.

A national policy of promoting high-technology firms, on the lines of Japan's support for industry, is required if Britain is to make the best use of its innovative small firms sector, Oakey suggested.

The troubled relationship between small firms and the banks is unlikely to improve by the year 2000, according to Martin Binks of of Nottingham University. The banks will attempt to improve their service by specifying charges more clearly and paring interest charges but the relationship between banks and their small business customers is unlikely to get any closer.

The banks are too tradition-bound and are led by senior personnel who made their careers before current competitive conditions developed, Binks said. The banks will have great difficulty in moving away from the system of asset-based lending towards one of evaluating businesses on their future prospects. This will discourage small firms from borrowing to finance investments.

Unless the British banks can change, their small firm customers will be at a disadvantage compared with their Continental competitors funded by more accommodating banks, Binks warned.

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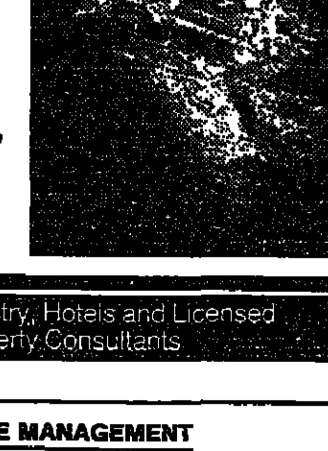

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Birmingham	—	Andrew Peters	Tel: 021-631 2288
Bracknell	—	Roger Smaridge	Tel: 0344 54445
Bristol	—	David Bird	Tel: 0272 211622
Cardiff	—	Robert Ellis	Tel: 0222 481111
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Principal assets include:
* Excellent order book (in excess of £300,000)
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Further information may be obtained from the Joint Administrative Receiver:
John Wheatley
KPMG Peat Marwick McLintock
2 Cornwall Street, Birmingham B3 2DL
Telephone: (021) 233 1666
Fax: (021) 233 4390

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For further information please contact
Joint Administrative Receivers: Scott Martin or John Warren, Ernst & Young, Lowry House, 17 Marble Street, Manchester M2 3AW.
Tel: 061-832 5784. Fax: 061-834 7117.
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Tel: 061-832 5784. Fax: 061-834 7117.
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CAR DEALERSHIP
PENRITH, CUMBRIA
The Joint Administrative Receivers offer for sale as a going concern the business and assets of Ullswater Road Garage Limited.
Briefly comprising:
* *High volume petrol sales outlet close to* M6/A66 intersection
* Volume new and used car dealerships together with all ancillary plant, equipment and stocks.
* Substantial spare part supply network
* Large freehold site incorporating:
  Petrol station and forecourt
  2 retail sales outlets for new vehicle franchises together with hardstanding
  10 vehicle maintenance bays

For further information, please contact:
The Joint Administrative Receiver:
P.T. Masterson
KPMG Peat Marwick McLintock
Unicentre, Lords Walk, Preston PR1 1LQ
Telephone: 0772 50821
Telefax: 0772 51022

Wholesale Suppliers of Power Tools and Fixings to the Building Trade
(Cambridgeshire)
The Joint Administrative Receivers, R T Summerfield and R A Powdrill offer for sale the business and assets of this wholesale supplier of power tools and fixings to the building trade. Situated with easy access to both the M11 and A1. Details included:
* Freehold property — 2320 sq ft and mezzanine floor.
* Turnover approximately £1.2m p.a.
* Business well established within the industry.

For further details or an information package contact.
Spicer & Oppenheim & Partners, Leda House, Station Road, Cambridge, CB1 2RN — Telephone (0223) 460222 — Quoting the reference 4NJD.
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For further information please contact the Joint Administrative Receiver: Martin Page
KPMG Peat Marwick McLintock
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For further details, contact Adrian Woods or the Joint Administrative Receiver, David Carney at: Deloitte Haskins & Sells, 35 Newhal Street Birmingham B3 3DX Tel: 021 200 2828 Telex: 337839 Fax: 021 200 2829

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For further information please contact the joint administrative receivers at the following address:—
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Tel: 021-236 9966
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TECHNOLOGY

Eagle eye

New Apple that tastes of a previous crop

Louise Kehoe assesses the impact of the Macintosh Portable on a fast-growing segment of the PC market

With its own mix of Hollywood glitz and Silicon Valley pizzazz, Apple Computer staged the debut of the latest additions to its Macintosh personal computer line in California last week.

The new Macintosh Portable played the star turn in a two-hour extravaganza complete with lasers, smoke, video and booming rock music, before an audience of close to 5,000 right next door to Hollywood's Universal Studios.

Like Ghostbusters II, however, this Apple event owed much to previous productions. The new release is designed to cash in on the success of earlier versions of the Macintosh. What is more, it is at least a year late in making its appearance.

Apple has been talking about launching a portable computer for as long as most industry watchers can remember. Years of prevarication and several aborted product development projects culminated in a two and a half year effort that has finally yielded this portable version of the Macintosh.

What held Apple back, until now, was its dissatisfaction with the quality of flat panel display technology. A high contrast, fast response display was essential to present the graphical user interface that has become a trademark of Apple computers.

Jean-Louis Gassée, president of Apple Products, explains: "On a standard passive liquid crystal display you would see shadows and tails behind the cursor as the mouse moved it across the screen."

Apple's solution is a new type of "active matrix" liquid crystal display in which each of the 256,000 elements, or pixels, is directly controlled by a transistor on the backplane. In effect, the display is an enormous semiconductor chip that is extraordinarily difficult to make. Only a few display manufacturers, most of them in Japan, have attempted the task.

The risks involved in using this largely unproven technology worry Apple analysts. They fear that the company may face supply problems which will limit production. Apple rebuffs such suggestions. "We are highly confident that our supply will be adequate to meet our forecasts," responds Gassée, although he will not reveal what these forecasts are.

There is no question, however, that the active matrix display represents a big improvement over standard flat panel displays. "The screen is the best I have seen on a lap-top. It can be viewed not only head on but also from either side. It is bright and very easy on the eyes," comments Jonathan Seybold, an industry analyst.

Apple has also broken new ground in the important area of battery life. The portable Mac will run for an average of 10 hours on its lead-acid cell, compared with the two to four hour battery life of most portables.

Other features of the Macintosh Portable are less innovative, and less impressive. The machine weighs in at 15.7 lbs when fully loaded with a 40 megabyte hard disk drive and a single floppy drive.

Add a spare battery, a battery charger and a modem and the scales will tip close to 20 lbs, making the portable Mac almost as heavy as the original Macintosh, which was itself touted as a "transportable" computer at its introduction five years ago.

Although Apple executives might concede that they wished the Portable were lighter, they are adamant that weight is not the critical factor among potential customers.

"The number one issue is compatibility," says Gassée. Apple did extensive market research – more than for any of its other products – to determine what features to include in the portable Mac, he says. Over and over, they heard that potential customers wanted a portable machine that worked in exactly the same way as their desktop version.

If so, then Macintosh users will be delighted with the Portable, because it is indeed a replica of a desk-top Apple Mac, packaged for carrying around. It seems unlikely, however, that the portable Mac will be chosen by many who are not already Macintosh fans.

Also giving pause for thought among potential Apple customers is the price – almost $7,000 for a fully loaded system.

With the introduction of its Macintosh Portable, Apple enters the fastest growing segment of the personal computer (PC) business. With 1988 sales of $2.3bn, the portable market is projected to grow to $12bn by 1993, according to Dataquest market analysts.

The portable PC market is also shaping up to become one of the most competitive. Currently the field is dominated by Zenith and Toshiba, which together hold 44 per cent of the world market. Grid Systems, now owned by Tandy, runs a strong third with a 10 to 12 per cent share, according to Dataquest.

Three distinct segments can be identified. First there is the "traditional portables" – fully functional "compatible" machines such as Compaq's latest portable, the Zenith Supersport or the new Macintosh Portable.

Then there are the "lap-tops", the slimmed down PCs that fit on an aircraft tray table. The latest examples of these include the NEC UltraLite and Zenith's Minisport. Weighing less than 6 lbs, these are truly portable but give up some of the conveniences of the desk-top to achieve that goal.

A third category of "pocket-sized" computers has begun to emerge. The recently launched 1 lb Poqet Computer and Atari's Portfolio are setting the pace.

Atari began shipments of its Portfolio in the US this month, sparking competition with the Poqet Computer. Atari wins on price – $400 – but its use of an "MS-Dos-like" operating system means that software developers must adapt their applications programs before they can run on the Portfolio. Atari says that as many as 200 software developers are working on versions of programs for the Portfolio, but it will not name names.

In contrast, the Poqet computer is fully IBM-compatible. It also includes several features that the Portfolio lacks – a larger screen with 21 rather than eight lines of text, a slightly bigger keyboard, two instead of one card drive, more memory, a modem, and serial and parallel ports. The price, however, is $2,000.

Yet to emerge in the portable PC market is a product that will kick sales into high gear. Despite manufacturers claims to the contrary, portable buyers are still being forced to make compromises – in terms of how much weight they are prepared to lug about, or the computer features they can live without, or the premium they are prepared to pay for portability. The first manufacturer to come up with the right combination of features will be a big winner.

While Apple was seeking the limelight down in Hollywood, former Apple chairman and computer entrepreneur extraordinaire Steve Jobs was capturing attention in San Francisco. Just by coincidence, of course, Apple's event overlapped with Jobs's announcement that Next Inc has finished debugging the operating system for its highly touted computer workstation and has begun shipments to retail outlets.

Overshadowing both publicity stunts, however, was the development of a new standards row in the PC industry. The drama began on the eve of the Macintosh event when Apple executives joined a group from Microsoft, the leading software developer, to announce a technology exchange agreement aimed at creating a new industry standard for the way text is displayed on computer screens and put on to paper by laser printers.

That Apple and Microsoft should agree on anything was surprising enough, given that the companies are currently feuding over allegations of copyright infringement. But that they should agree to share technologies that will create some measure of compatibility between the Apple Computer and IBM-compatible worlds is extraordinary.

Under the terms of the agreement, Microsoft will license Apple's recently announced "outline font technology" for inclusion in future versions of OS/2, the operating system it is developing for IBM-compatible PCs. In return, Apple will license Microsoft's new printer software for new versions of its laser printers. Both sets of programs will use the Apple font format.

At issue is the method that computers use to display text. An outline font is a mathematical description of the size and shape of text displayed on the computer screen. It enables a computer to display text in several different typefaces and sizes.

Current versions of the Macintosh use a different approach to achieve the same goal – a "bit map" of each letter or character, in each of a set of typefaces and sizes is individually stored. But this takes up a lot of memory and is less flexible.

Already, Apple's laser printers incorporate "outline font" software called PostScript, purchased from Adobe Systems. Adobe offers Display PostScript for computer screens, but Apple has decided to go its own way, rejecting Adobe and announcing plans to phase out its use of PostScript for printers.

News of the Apple-Microsoft alliance came as a blow to Adobe Systems, which has dominated the field since it introduced PostScript in 1984, sparking a boom in desk-top publishing. Adobe's sales rocketed from just $2.2m in 1984 to $83.5m in fiscal 1988.

Adobe and its supporters see the Apple-Microsoft agreement as a plot to usurp PostScript, rather than an attempt to establish an industry standard.

Striking back at the Apple-Microsoft threat, Adobe announced the following day that it would open up its proprietary font technology so that anybody could use it without paying licence fees. Adobe executives argued that the company's technology was already a de facto standard throughout the PC industry.

John Warnock, chairman of Adobe, derided the Apple-Microsoft announcement as "the biggest bunch of garbage and mumbo jumbo I've ever heard in my life." Apple's vague plans for new software amounted to "vapourware" that could jeopardise an existing standard, he charged.

Bill Gates, of Microsoft, responded by saying that the play was to improve upon PostScript. Some competition in font technology would spark innovation, he claimed.

Weighing in on the side of Adobe, however, Steve Jobs, chairman of Next Inc, portrayed Apple and Microsoft as bullies. "There's no new technology here," Jobs argued. The agreement, he suggested, came about because Apple "made a big mistake" in deciding not to use Adobe's font technology in the future. Next Inc is already committed to using Adobe font technology on its computers.

What all of this means for computer users is that perhaps, at some point in the future, IBM-compatible and Apple PCs may be able to display, exchange and print out documents that look identical. If you are in the publishing or graphic art business, that is important. It would also make life easier for companies that have both types of computer connected to a local area network.

When this will happen is unclear, however. Apple executives describe the agreement as "important in the long term." Industry analysts do not expect any products to result from the Apple-Microsoft agreement for at least a year.

Bell rolls up with a clean power source

A material which could help to generate clean power has been developed by Bell Communications Research (Bellcore). The US concern announced the discovery at an international symposium on fuel cells, at the Royal Institution in London last week.

A conventional fuel cell gives off energy by combining hydrogen and oxygen, generating electricity from gas. The new "chemo-electric" device is based on the same principle (and also provides 1 volt per cell), but applies it in a new way.

The material is one quarter of a micron (millionth of a metre) thick. It consists of an ion-conducting and gas-permeable membrane sandwiched between layers of electrodes and laid on a substrate. To make a device, the material would be rolled into a spiral and a positive charge fed to the substrate and a negative charge to the gas-exposed electrode.

The discovery was made by accident. "It dropped out of work to develop solid state batteries of submicron dimensions to power integrated circuits," says Christopher Dyer of Bellcore, which conducts long-term research for the seven Bell regional telephone companies. It has been looking at ways of powering fibre-optic networks, hand-held telephones and computer systems.

The new material, which is projected to generate between one and 10 watts per cu in, could run a telephone for several hours with a small amount of methanol. This would give it an energy density several times greater than existing batteries. Its energy potential can be doubled by coating both sides of the substrate with a fuel cell, which would give at least 10,000 hours of use. Whereas batteries contain toxic elements, the catalyst used by the new material is non-polluting.

Another application is likely to be in information processing. The material is the same thickness as an integrated circuit and so could be used for the gas powering of circuitry. It has potential as a standby power source because it operates at room temperature.

Bellcore is also looking at the electric vehicle market and at domestic use, where up to 10 kilowatts could be generated in addition to heating and water through the hydrogen-oxygen reaction.

The US Patent Office has indicated that it will grant the company a full device patent.

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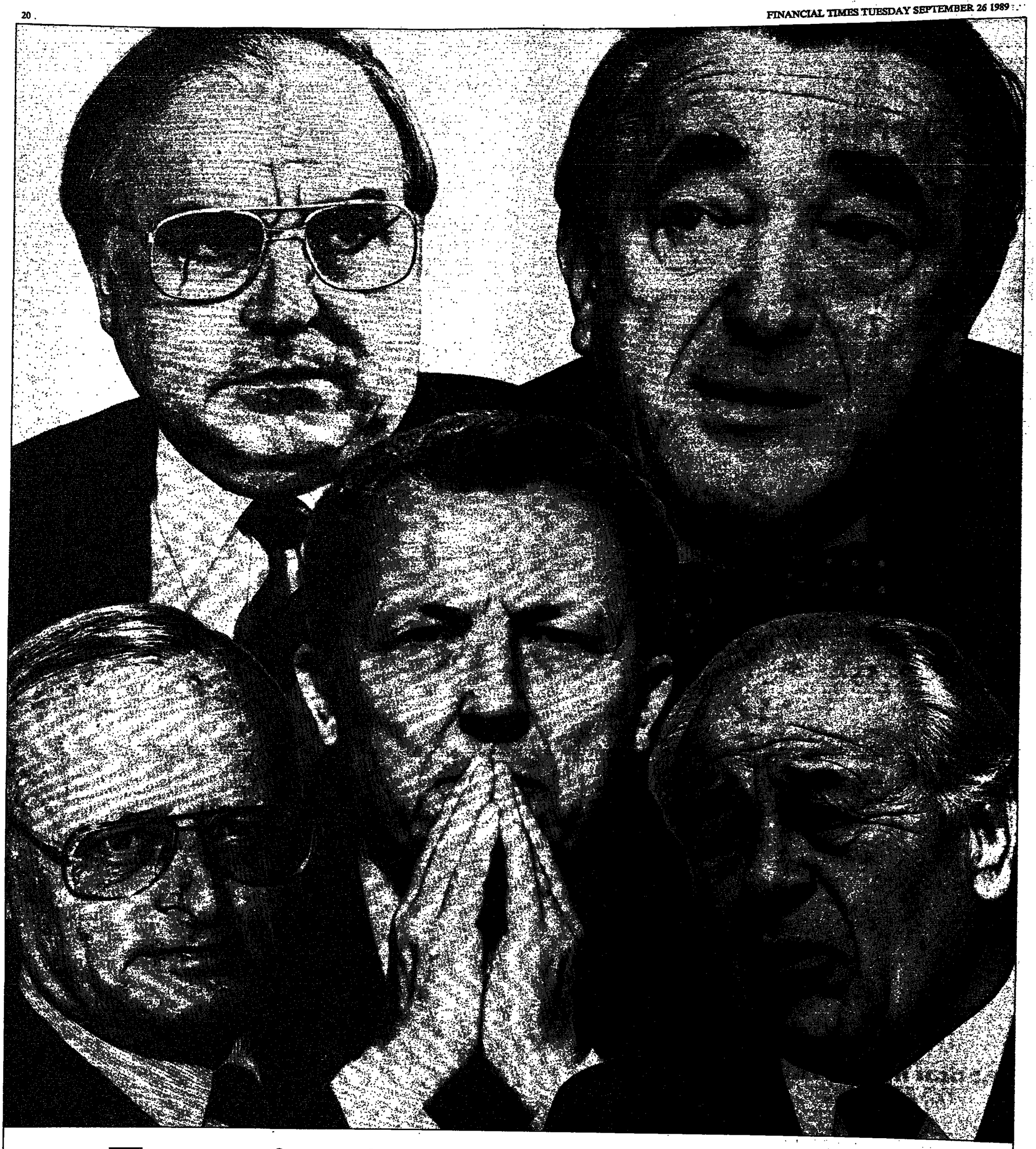

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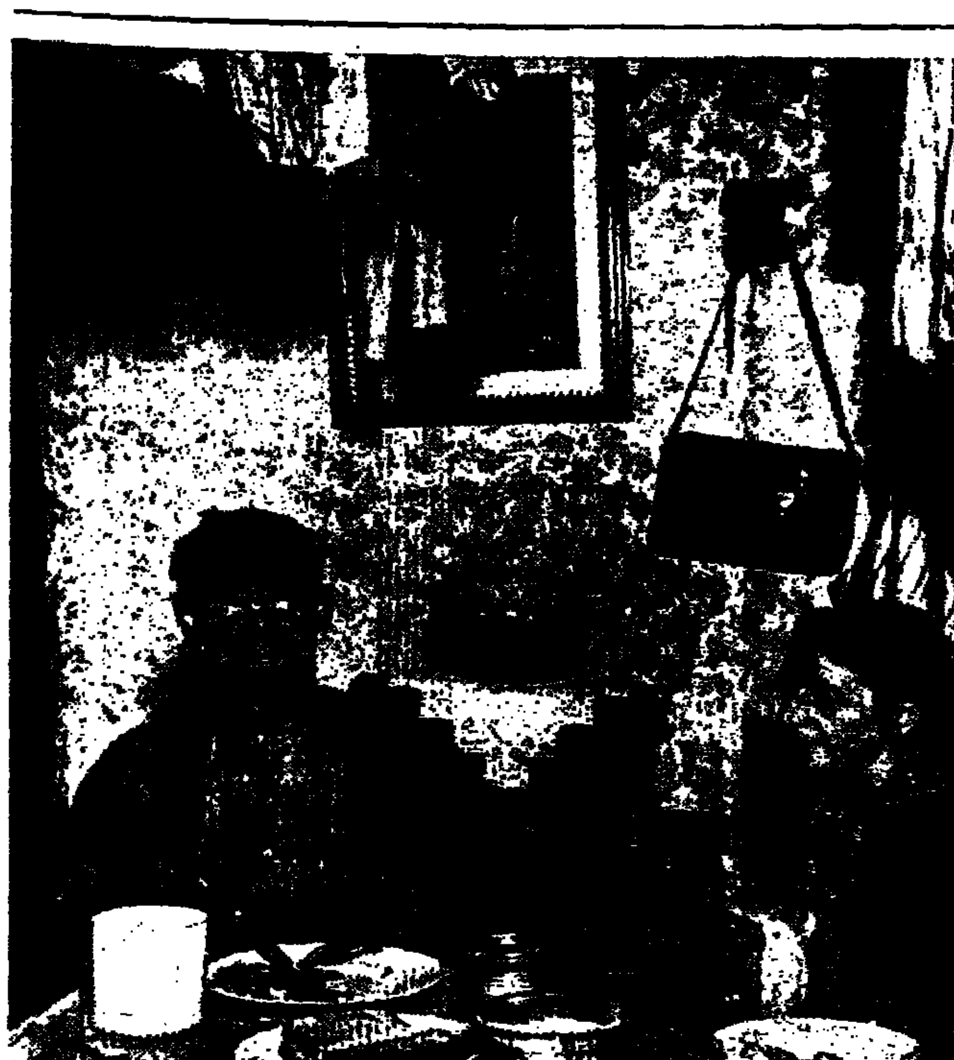

Northumbrian miner at his evening meal, by Bill Brandt, 1937

At the press of a button

William Packer reviews the Art of Photography exhibition at the Royal Academy

This year marks the 150th anniversary of what is generally accepted as the invention, more or less coincidental in England, France and Scotland, of Photography as a practical technical process. Of the inevitable clutch of celebratory exhibitions, *The Art of Photography 1839-1989*, at the Royal Academy (Burlington House W1, until December 23, sponsored by Logica, The Midland Bank and The Independent) is both the most notable and, to some of my colleagues, evidently the most irritating.

The difficulty rests in the title, with its unequivocal claim for the medium as high Art. Yet again, it seems, we must rehearse the old arguments.

What sticks in some critical throats is photography's undeniable dependence upon the camera, a mere mechanism with a button that anyone may press. Indeed anyone and everyone does press it, but it is a case of some snapshots being snappier than others. Then, once snapped, mere chemistry takes over the process of the image.

But we should remember that all visual art is material, and must be made somehow. A camera in essence is no more and no less a tool than a pencil, brush or chisel. Ah, but such tools sit in the hand and make their mark direct. Surely Art is validated only by the artist's authentic touch? It is not, and never has been, necessarily so. Architecture never enjoyed that requirement, or it would never have aspired beyond the mud hut. And what of all those artists whose ample scale and prolific output could only be sustained by the use of assistants – Rubens, Veronese, Rodin, Moore?

There is, in short, no reason why the photographer should be any less the artist than the painter or sculptor, for the art rests not in the chosen medium but in the critical quality of the work within it. And it is a nice paradox that the limited and cumbersome equipment of the great pioneers of photography, far from qualifying and impairing such fine judgement, if anything enhanced it.

The image to be fixed on their glass plates, so tedious to prepare, had to be chosen and contrived with the greatest care, the camera mounted, exposure set and the world asked to hold its breath and keep still. These breathless, timeless images speak to us now across a century and a half of a world at once deeply familiar yet poignantly remote, the moment fixed yet lost forever.

Fox Talbot's ladder casts its sharp shadow across a haystack of a type familiar even 30 years ago. Mrs Johnstone, Hill's and Adamson's Newhaven fishwife, sits as calm and self-possessed in the sunshine as any dowager. Baldus' water-mill at Enghien, with its trees reflected in its mirror-pond; Régnault's deserted river-bank at Sèvres; Fenton's Long Walk in Windsor Great Park, with its ancient elm avenue that stood into the 1940s; Watkins' magnificent panoramas of Yosemite; Nadar's celebrities with their calm regard – we confront each image to be brought up short, shocked by a quality of definition, immediacy and authority.

The invitation is to the imagination: here a path we might tread, a hand we might shake, a door we might enter. Fenton's door at Lichfield Cathedral swings ajar, a shadowy figure half visible within, as it might be any tourist, anywhen.

But none of this is to say that practice should be difficult for the photographer, and that art goes out as convenience comes in. One of the most memorable images comes at the very end, in the penultimate section, given to images of war and violence. The American, Eugene Smith, followed the war in the Pacific, and his picture from Saipan, of a soldier drinking from his flask, could hardly be simpler. It may have been spontaneous or as contrived as anything of Julia Cameron or Nadar, but no matter. Close-up in profile, another, opposite profile behind and a rifle to give the diagonal, nothing more, the image achieves the grandeur of the archetypal and universal, the battle-weary soldier as expressive as any one of Rodin's burghers.

This is admittedly a large exhibition and in consequence demanding of time and attention. But it is set out with an admirable clarity and is beautifully chosen. No attempt has been made to represent every major photographer. Instead, categories have been established to give the general and various development of photography, with the chosen photographers shown in some depth. The story unfolds from the Pencil of Nature of the pioneers, the 19th Century Portrait, Travel, the Pictorial Effect of symbolism and impressionism, the Modernist experiments with constructivism and surrealism, European and American documentary, and so up to the present, with diversions into fashion and war.

A final, irrelevant digression into the appropriation of photography by artists of other disciplines, rounds it off with a whimper, for it is a subject so big in itself as to require, and deserve, quite as a large a study. The hefty catalogue, published by Yale at £19.95, is a bargain.

LSO, Academy

BARBICAN & FESTIVAL HALLS

The performance of the Brahms Double Concerto at the Barbican on Sunday was the opposite of a gramophone record: not seamlessly smooth, not bland. The soloists were two distinguished veterans, Josef Suk and Paul Tortelier; their playing styles do not tally exactly, and in the case of the cellist the instrumental sound is no longer projected with unfailing power or accuracy of intonation (Suk's violin, by contrast, retains all its shining purity of tone and manner).

It was, nevertheless, a Double Concerto of exceptional excitement. There was a sense of striving, of working toward unity of thought and purpose, in the mixture that provided much of the urgency – too streamlined a matching or blending of melodic lines can take the grit out of Brahms's inspiration. The dance-like lift that both players, and the London Symphony Orchestra under Michael Tilson Thomas, brought to the finale suggested a newfound ease of partnership, at exactly the place called for in the musical discourse. "Perfection," in the Karajan sense, was not essayed or attained – and, I should say, not missed.

This concert was the second in Tilson Thomas's current Brahms series. He finds a way of illuminating detail that indicates a vivid personal response to the composer; the orchestra's strong outlining of the *Tragic Overture* at the start of the concert, with special attention to the quieter pages, was not at all the routine approach. The second half was filled – slightly overfilled, given the length of the first half – with the first orchestral Serenade, Op.11, also rich in appreciative responses and unsleepy rhythms (the gentle lilt of the two minuets was beautifully judged).

At present Tilson Thomas's Brahms lacks a proper depth of orchestral tone, a middle-European warmth and weight founded on the lower strings; but at least he makes no attempt to counterfeit such qualities, relying instead on his own fine-tuned musical instincts to "find a way" to the idiom.

★

The previous evening on South Bank the enlarged Academy of St Martin's under Neville Marriner had offered as their soloist Frederica von Stade, a singer now infrequently encountered this side of the Atlantic.

It's a shame the occasion failed to show her off to better advantage: *Casa Guidi*, a cycle of five song-settings of Elizabeth Barrett Browning by Miss von Stade's compatriot Dominic Argento, was little more than high-minded schmalz, and in Ravel's *Shéhérazade* after the interval the mezzo had to survive Marriner's lifeless account of the orchestral accompaniment. (*La Mer*, which closed the concert, came as near to complete meaninglessness as any decently professional sounding of the notes could go.)

In spite of all this, and a weighting of Argento's climaxes that tended to drown her, it was clear Miss von Stade remains an artist of special charm, intelligence, and vocal lustre. And yet one unkindly feels that she has failed to mature in ways once so bountifully promised.

Max Loppert

Royal Concertgebouw Orchestra

FESTIVAL HALL

It may just be chance, but I do not recall having heard the Royal Concertgebouw at the Festival Hall for a long time. Their visits to London usually take them to the Proms in the summer or for a single celebrity night to the Barbican.

The unexpected warmth of their sound on the South Bank son Sunday afternoon was thus a reminder both as to this orchestra's fine quality and the less than satisfactory acoustics in our other main concert halls.

For their last visit they had brought with them as a guest conductor Mariss Jansons, who directed a concert of blazing intensity at the Barbican in mid-summer. At the time it seemed the orchestra had undergone a change of identity, for their playing had a raw edge to it, straining audibly in the strings, unnaturally loud in the brass, as though the force of the interpretation had to be reflected in the sound itself.

What a difference conductors do make (whatever some orchestras may like to think!).

With a different guest conductor on Sunday in Wolfgang Sawallisch, a rare visitor to London, the orchestral sound had not only reverted to its usual blend and balance, but seemed to have become still warmer than usual: the depth of tone in Beethoven's *Leonore No 2* Overture was remarkable, even if one missed something of Jansons's clarity and white-hot glare.

Those qualities would in any case have been out of place in the central item on the programme. This was the Second Horn Concerto by Richard Strauss, a late and somewhat meandering piece. Jacob Slagter, horn-player with the Concertgebouw, was the most accomplished soloist, Sawallisch a master of the late Straussian style.

The best, though, was to come. If there has been a finer performance of Dvořák's Seventh Symphony at the Festival Hall in the last ten years, I have not heard it.

None has harnessed its complete character better than did this performance. The symphony's secret is that it is not just lyrical or dramatic, it is both: a drama locked in lyricism, to which Sawallisch has unquestionably found the key.

Richard Fairman

Lindsay Quartet

WIGMORE HALL

Arriving at this recital was like turning up at a wildly successful party in its final hours. The Wigmore Hall's Beethoven Festival had been running for two weeks and the scene at the final event on Saturday was of a hall packed to standing-room only, with people thronging in every corner in animated conversation about the music that had been heard. Regret at having missed the rest of the celebrations was made all the more acute when the Lindsay Quartet took the stage. With no apparent need to play themselves in, they plunged *in medias res* with an energy that suggested the spirit of Beethoven had not ceased to fizz in their bodies and souls since the end of their penultimate recital the night before. The Lindsay players always make a strong, positive quartet, but never more than when they are caught on the wing, as here.

From the first notes of Op. 18 No. 6 the playing was full of life, with contrasts strongly marked, sforzandos violently accentuated. After they had finished the piece, the leader of the group (Peter Cropper) gave an apologia for the early Beethoven quartets in general, though none was really needed after a performance on this scale. If anything, the Lindsays push the work too hard, though there is no denying the fire (*con brio*) and excitement they bring to it.

At times their desire to make the most of the music can lead to a metallic sound that grates on the ear, as bow hits string with impassioned force. But for the most challenging of the middle quartets, where Beethoven was consciously looking to break the limits of conventional string quartet writing, the all-out commitment of the players is fully in tune with what the works are about. Their "Rasumowsky" Quartet, Op. 59 No 2, was a most convincing performance, powerfully conceived.

As with the other programmes in this small festival, the string quartets were chosen one from each period, early, middle and late. The concluding item was thus Op. 135 in F, for which the Lindsay players left behind the aggressive style they had favoured earlier. In the slow movement one could sense the tension seeping out of Cropper's first violin part. That haunting D flat theme rose and fell with a feeling of marvellous repose, of the deepest eloquence.

Richard Fairman

Cecilia Bartoli

WIGMORE HALL

Sadly, Nicolai Gedda was taken ill and unable to give his recital at the Wigmore Hall on Sunday; happily, the young Italian mezzo Cecilia Bartoli, who had to cancel earlier in the month, chanced to be free, and made her London recital debut in his place.

Only in her early twenties, Miss Bartoli already has a formidable reputation thanks to her contract with Decca: her Rosina in their new *Barbieri* has just been released, together with a Rossini recital disc. The first thing to be said is that she is far, far, prettier than the vulgar and aggressive publicity photos that have been all we have seen of her so far. Her distinguished, handsome and initially shy presence had everyone on her side before she had even opened her mouth; as the evening progressed the shyness evaporated into wonder and surprise at the vociferousness of the audience's frankly indiscriminating reception, as indiscriminating (and unhelpful) as the comparisons cited in the programme with Berganza, Horne and (!) Tebaldi.

No need to beat about the bush, however – this is a formidable talent. Her mezzo has a gorgeous fruitiness in the lower register that softens into velvety smoothness as it proceeds upwards; the top is firm and bright, and the registers are faultlessly knitted together. When she sings softly, which she does a great deal, her tone has an ethereal beauty. Her trill speaks more clearly in the upper than the lower register, but she is young yet. The decorations flow freely, the divisions cleanly marked. Under pressure, her tone can take on a pleasingly sensuous tight vibrato, very much in the tradition of Rossini mezzos.

So much was evident in the traditional opening group of *Arie Antiche*, along with that indefinable personal gift of moving from note to note in the spinning of a musical phrase. If Cherubino's arias from *Figaro* were less convincing, this could be because she approached them via the characters' emotions rather than the music through which those emotions are expressed. They were lively enough, but her sense of musical line faltered.

It was in Rossini that she sounded happiest, and it is with Rossini, surely, that her immediate future lies. Through wonderfully communicative Italian she found the warmth for *Cenerentola's* "Nacqui all'affanno" (the scales at the end sensationally precise), the humour for "*Cruda Sorte*" as well as a hint of edge to the tone hitherto kept under wraps, and a touching serenity for the Willow Song from *Otello*, quite the best item in a shortish evening. Here she was not hustled by her accompanist, Ronald Schneider, who elsewhere – especially in "Di Tanti Palpiti" – pushed her on in fast and strict tempo through the fioriture. Rossini must never, ever be hurried.

Indeed, all those helping this marvellous young artist on the threshold of her career shoulder a huge responsibility: nothing must be allowed to go wrong with so remarkable a talent.

Rodney Milnes

Out of the Blue

HOLYWELL, DORSET

The Frome Valley Community Play, written by Jon Oram from much painstaking research, and directed by Clarissa Brown for the Colway Theatre Trust, is given in the barns of Horchester Farm, Holywell, between Yeovil and Dorchester on the A37. Before it starts, you can eat, drink, listen to folk music or chat to old and new friends at the Harvest Fair in the next barn. Don't go to Frome; that is 40 miles away in another county.

The play is about the history of the villages of the Frome Valley – Halstock, Rampisham, Evershot and the rest. It starts with the tale of Saint Juthware, shopped by her brother and beheaded, but who, with a grateful miracle, created a river. (She is remembered in the Silent Woman pub in Halstock.) More palpable history pays most attention to the events precipitating the Civil War of 1642, and to the persecution of the Quakers; but Jon Oram's theme is that everything goes on just as it always has. He gives us one happy ending, all the same.

Some 75 of the local people enact the events, which may instantly give way to another period by the intervention of a character called Ace, a practitioner of memory. "Time present and time past are both perhaps present in time future," Eliot wrote (and incidentally East Coker is in the Frome Vally). Ace rises from a sub-stage Hell in clouds of dry ice, for no doubt purely dramatic reasons, for he is no devil, nor indeed any recognisable official, just a fantastic figure.

Children in rehearsal at Horchester Farm

Events historical and current, important and trivial, happy and tragic, are mixed in a great dramatic salad all over the great barn. We all stand where it suits us best, moving around if we want to, for action may spring up anywhere. What adds to the pleasure is the mingling of the players with the audience. You wonder why this little girl, this young boy, should have chosen to come to such a serious affair, when they are suddenly workhouse children, or sheep, or Roundheads.

This air of total collaboration is what makes the evening so vastly enjoyable, the emotions so true and so touching. I laughed often at the jokes, and I really wept at the sad parts. Partly this came from the playing of the children; 12 or so is a great age for acting, as the Elizabethans knew. Some of these have been rehearsing for up to six months, and made it all worth while. Ben, the 13-year-old at the centre of the action, has a very long part, and plays it splendidly. I won't name him, in case it makes him want to be an actor when he grows up.

B.A. Young

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ARTS GUIDE

September 22-28

OPERA AND BALLET

London

Royal Opera, Covent Garden. The new attempt at a Royal Opera Ring opens with *Die Walküre*, in a production by Götz Friedrich adapted from his Berlin staging. Bernard Haitink conducts, and the cast includes James Morris, Gwyneth Jones, René Kollo, and Gabriele Schnaut. Final performances of *Rigoletto*.

English National Opera, Coliseum. The first new production of the ENO season is *A Masked Ball*, by the team (producer David Alden, designer David Fielding, conductor Mark Elder).

Paris

Théâtre des Champs Elysées. New York City Ballet, as part of the 27th Paris International Dance Festival, alternates choreographies by George Balanchine, Peter Martins and Jerome Robbins (47203637).

Vienna

Staatsoper. *Rigoletto* is conducted by Leopold Hager with a cast including Patrizia Pace, Waltraud Winsauer, Hans Christian; *Il Barbiere di Siviglia*, conducted by Ion Marin, is sung by Gail Dubinbaum, Marjorie Vance, Thomas Hampson, Anton Wendler.

Volksoper. Operas and operattas this week: *Die Csardasfürstin, Ein Nacht in Venedig, Der Freischütz, Die lustige Witwe, Kiss me Kate, Ein Walzertraum* and *Der Zigeunerbaron*.

Brussels

Théâtre Royal de la Monnaie. The Monnaie Opera conducted by Sylvain Cambreling in Verdi's *Falstaff* staged by Iluis Pasqual.

Berlin

Opera. A Julia Varady/Dietrich Fischer-Dieskau Lieder recital accompanied by Hartmut Höll with duets by Bartholdy, Cornelius and Schumann (Fri). *Fidelio*, in Jean Pierre Ponnelle's production features Janis Martin, Carol Malone, Spas Wenkoff, Kurt Rydl.

Hamburg

Staatsoper. *Der Troubadour* has fine interpretations by Giorgio Zancanaro, Nina Terentjewa, Sharon Sweet, Lando Bartolini.

Bonn

Opera. The new *Aida* production, by Jaques Karpo has Rosalind Plowright repeating her much praised performance in the title role and conducted by Bonn's music director Dennis Russell Davies.

Frankfurt

Opera. Britten's *Ein Sommernachtstraum* is respectable with singers Jochen Kowalski, Linda Griffitz, David Bennet And Vladimir de Kanel. *La Bohème* stares Gyoergyi Benza and AlbertoCupido.

Cologne

Opera. The successful Harry Kupfer *Jenufa* production features Eva Tamassy, Linda Plech, Leonie Rysanek-Gausmann, Guenter Neumann, Alfred Kuhn and conducted by Cologne's new music director James Conlon.

Munich

Opera. *Le Nozze di Figaro* features Lucia Popp, Jeanne Piland, Angela Maria Blasi, Alan Titus, Alberto Rinaldi, Kallen Esperian, Julie Kaufmann, Franz Grundheber, Francesco Ellero.

Naples

Piazza del Plebiscito. An outdoor "festa" of music and dance sponsored by the Banca di Napoli and major Italian state holdings and broadcast in Eurovision.

Milan

Teatro Nazionale. The Scala ballet company in *Les Sylphides*, Balanchine's *Apollon Musagete* and Birgit Cullberg's *SignorinaGiulia*. (4396700).

New York

Metropolitan Opera. James Levine conducts the opening gala of *Aida* in Sonja Frisell's production with Aprile Millo, Placido Domingo and Sherrill Milnes, in a week that also includes *Porgy and Bess* with Priscilla Baskerville and Larry Marshall. (362 6000).

New York City Opera. The week includes the first performances of *Die tote Stadt* in a decade with Frances Ginsburg as Marietta, John Absalom as Paul and Stephen Dickson as Fritz in Frank Corsaro's production conducted by Klaus Weise; (877 4700).

Washington

Pacific Northwest Ballet. Return engagement features the world premiere of Firebird choreographed by co-artistic director Kent Stowell, among works by Balanchine, Paul Taylor and the other co-artistic director Francia Russell. Kennedy Centre Opera House (254 3770).

Chicago

Lyric Opera. The opening production of *Tosca* with Eva Marton, Luciano Pavarotti and Siegmund Nimsgern is conducted by Bruno Bartoletti in Deppe De Tomasi's production.

Tokyo

La Traviata performed in Italian by the Nikikai Opera Company, with popular Japanese soprano Shinobu Satoh as Violetta. Tokyo Bunka Kaikan (Wed) (370 6441).

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SALEROOM

Hong Kong confidence

The Hong Kong art market was tested yesterday when Christie's Swire launched its first season of late summer sales, and the first major auction after the troubles in June. Some 280 Chinese paintings from the 19th and 20th century went under the hammer and – much to the relief of everyone – all but 11 per cent sold, more or less on target, realising a total of HK$27,028,300 (£2,184,087).

Hong Kong's tourist business has dropped significantly over the last three months, and dealers have reported a fallow period. According to Christie's Colin Sheaf, "the fact that so much sold and at prices and estimates established mostly before June shows the basic stability and resilience of this collector market. It is a real confidence booster."

The two top lots went to Taiwanese buyers. Zhang Daqian's 20 year old scroll "Clear Autumn at Wu Gorge" changed hands at HK$1.3m (£107,684), while dealers My Humble House paid HK$935,000 (£74,760) for an eloquent hanging scroll of lotus in the rain. Hong Kong dealer Robert Chang secured an image of Ni Zan washing under a wutong tree for HK$650,000, comfortably over estimate. The more unexpected prices, however, came from US bidding. A decorative pink hibiscus scroll painting signed by Shi Lu almost doubled its estimate by selling for HK$605,000, as did a set of five scrolls by Liu Guosong which fetched HK$550,000.

The series of specialist sales in Hong Kong continue with an auction of jade carvings and jadeite jewellery, and with important collections relating to the Far East: the Frank Castle collection of China trade paintings, maps and photographs; a group of drawings by George Chinnery, plus a portfolio of 200 drawings and watercolours by Charles Wirgman.

Meanwhile in London, Christie's announced the sale of a group of medals, memorabilia and letters of the legendary British athlete Harold Abrahams, who became "The Fastest Man on Earth" when he won the Olympic 100 metres in Paris in 1924 – and the hero of David Puttnam's 1981 film *Chariots of Fire*. Sadly that gold medal, stolen from his home 50 years later, is not among the 30 medals and three stopwatches on offer on November 21.

Susan Moore

FINANCIAL TIMES
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Tuesday September 26 1989

New start in arms control

BOTH THE Soviet Union and the US had a clear interest in presenting the results of their high-level meetings in Washington and Wyoming over the weekend in the best possible light. Mr Mikhail Gorbachev, the Soviet leader, under pressure at home because of the sparse results of his economic reforms and the clamour for more independence from national minorities, is anxious to divert domestic attention to his successful performance on the international stage.

President George Bush, who has been criticised in Congress and the press for his failure to promote an active arms control policy, also had a point to make, as he showed in his far-reaching proposal at the United Nations yesterday for cutting chemical weapons stockpiles.

These domestic factors undoubtedly contributed to the success of the discussions between Mr Eduard Shevardnadze, the Soviet Foreign Minister, and his US opposite number, Mr James Baker, and President Bush. But even if study of some of the fine print of their declarations after the meeting in Jackson Hole betrays more disagreement than was publicly admitted, the discussions appear to have gone unusually well.

Spirit of flexibility

Mr Baker confirmed yesterday that the US and the Soviet Union had made progress over the whole arms control agenda. Officials of both sides have gone out of their way to underline the spirit of co-operation and flexibility which marked the meetings. President Bush, unenthusiastic about an early summit with Mr Gorbachev before the Wyoming get-together, has been persuaded to attend such a meeting in the late spring or early summer of next year.

Yet while it appears that a new impetus has been given to arms control negotiations and that a treaty providing for a cut of up to 50 per cent in the strategic weapons of each side is within reach, it would be a mistake to take all the euphoria at face value. Interpretations, as is so often the case, vary.

According to Mr Baker, the Soviet Union has made a vital concession in dropping its insistence that any strategic arms reduction treaty (Start) should be linked to a US undertaking not to develop and deploy a space-based defensive system. For years, disagreement over the interpretation of the 1972 Anti-Ballistic Missile Treaty, which Moscow claims forbids the development of space-based defences, has blocked progress in the strategic arms talks.

Treaty revocation

The Soviet version gives a different picture. While Mr Shevardnadze has admitted that Moscow would now be prepared to conclude a separate Start treaty without any specific undertaking by the US on space-based weapons, it still insists on the right to revoke such a treaty later if Washington deploys anti-missile systems in space. The Soviet Union's fundamental position has therefore not changed. Those who believe that a Start agreement is a foregone conclusion need only look at a previous accord in this area, the Salt 2 agreement, which has never been ratified by the US Senate.

The great emphasis placed at the high-level US-Soviet meeting in Wyoming on arms control problems, though it has greatly improved prospects of early agreements in this field, is itself a somewhat worrying throwback to earlier days of superpower diplomacy.

The view that arms control agreements alone cannot bring any real and lasting improvement in East-West relations and that the US and the Soviet Union must concert their policies on a wide range of regional and other problems, has been generally accepted since the last years of the Reagan Administration. Yet there appears to have been relatively little talk in Wyoming about such burning problems as Afghanistan and Cambodia, nor any real attempt to work out an understanding on the latest developments in eastern Europe.

These are all suitable issues for discussion at a US-Soviet summit which, given the urgency of finding solutions to these problems, could well have been arranged for an earlier date than next summer.

Banking, Italian style

FEW IN THE international banking community have a high regard for the efficiency of the Italian banking industry. To that extent, the unfolding saga surrounding the activities of the Atlanta branch of Banca Nazionale del Lavoro (BNL), Italy's largest commercial bank, does not defy all expectation. Yet the circumstances surrounding the grant of unauthorised loans for exports to Iraq by the Atlanta branch are highly unusual: many details remain obscure. Do they really provide an adequate basis for critical generalisations about Italian banking?

The specific failure at BNL was a reflection of inadequate internal controls. Whether that failure also reflected shortcomings in prudential supervision remains for the moment unclear. Yet it is impossible to ignore the fact that politicians and businessmen have seized on the affair to promote their *parti pris* in the heated debate over the future ownership of Italy's banks. Relevant or not, the BNL episode could well influence the outcome. And there is not much doubt that the Italian banking system is in need of attention: next year sees the removal of exchange controls on private capital, while the 1992 programme will bring liberalisation in 1993. There are understandable worries in Italy about the ability of the financial system to withstand these twin shocks.

Domestic focus

At present the country has over a thousand banks; and the greater part of the business is in the hands of a small collection of public sector giants. The strength of the system is that its focus is domestic and regional. Much patronising comment by foreign bankers tends to overlook the point that the parochiality of Italian banking has protected it from over-exposure to US real estate or Third World debt.

The drawbacks are that banking remains a politically protected sector in which costs and margins are high. Several banks are undercapitalised and the system offers a grossly inefficient service to all its customers bar one: the Government, which has tended, in the past, to unload disproportionate amounts of official debt on to the banks. The major banks have also been hijacked to varying degrees by the politicians, for whom top managerial appointments represent an opportunity for patronage. The further south the bank, the more likely its loan book is to be diverted to support unsound projects for regional political ends.

Some in Italy, including Treasury Minister, Guido Carli, and some of the leading private sector companies, argue for a straightforward business solution to this problem. If you have a highly liquid corporate sector, several undercapitalised banks and a runaway public sector deficit, privatisation offers an obvious means of squaring more than one vicious financial circle at a stroke. Italy's industrial giants can also offer professional management, which is conspicuously lacking in some of the country's largest banks.

Informal cartel

The alternative view, strongly held by the Bank of Italy, is that banking, with its fiduciary obligations to depositors, does not mix well with industry. It is widely shared by central bankers and has been urged, for example, by the New York Fed in a comparable argument that rages in the US. But the case is doubly reinforced in a country like Italy by anti-trust considerations. The feudal giants of the Italian industrial system often behave like members of an informal cartel. To substitute the influence of Italy's largest industrial families for that of the politicians is a less than ideal solution.

A more benign form of privatisation, involving participation by private investors and minority participation by foreign banks would make better sense. Yet any move in that direction is hampered by the politicians' fear that private ownership will lead to labour shedding in a grossly overmanned sector. With liberalisation in the offing, the questions are becoming more pressing. Having moved swiftly to recapitalise BNL with funds from other public sector institutions, the authorities should now address themselves firmly to the wider issue.

Alice Rawsthorn on a shift in strategy by the international textile industry

Woven to suit the changing market

A weighty document from the Monopolies and Mergers Commission will arrive this morning on the desk of the Secretary of State for Trade and Industry, Mr Nicholas Ridley.

The document will discuss whether Coats Viyella can proceed with its plans to increase its textile interests by taking over Tootal. If the commission and Mr Ridley agree, Coats will be able to revive the £395m bid it made for Tootal in May.

Coats and Tootal both have extensive textile interests in the UK, but the real rationale for the merger lies overseas. Coats is eager to add Tootal's sewing thread companies in the Far East to its own operations in north and south America. If the bid succeeds, it will become the biggest single force in the world market for thread.

The Coats bid is the latest – albeit the largest – in a long line of international deals within the world textile industry in the last year or so. Other industries are already accustomed to cross-border bids and international alliances, but in textiles they are relatively recent.

The world trade in textiles is truly international, in that cloths and clothing have been shipped from country to country for centuries, but even the largest groups have traditionally limited their manufacturing operations to their own countries of origin.

There are exceptions. Levi-Strauss and the VF Corporation, the big US clothing companies, have been making denim jeans all over the world since the 1960s. The big lingerie groups – Playtex of the US, Wacoal of Japan and Triumph of Switzerland – also operate on a global basis.

Similarly the western European and north American textile companies have been sourcing products from lower cost countries for years. The West Germans have long established links in eastern Europe and the French in north Africa. Yet they tend to source from sub-contractors in these countries, not from their own production plants.

At first sight it seems ironic that the same companies which source and sell products all over the world should be so reticent about manufacturing outside their own countries. Yet the reasons for this parochialism are easy to see.

One is that it is relatively inexpensive to ship textiles from one country to another. The West German and Italian clothing companies, such as Steilman and Marzotto, have been able to establish significant export markets without incurring heavy investment in overseas manufacturing.

Similarly the labour-intensive nature of textile production – particularly clothing – means that there are advantages in operating small, closely controlled production plants. The comparatively low level of automation also means that there is no need for companies to build on a large scale to defray the cost of research and development.

The dominant trend in textiles during the 1980s has been retrenchment, not expansion, as the established groups have rationalised their activities to become more competitive against emerging economies with lower labour costs. The US industry lost more than 250,000 jobs between 1980 and 1987, at a time when the textile workforce in the European Community fell by a quarter.

There are also specific reasons that have inhibited international expansion by companies in particular countries. The US industry was able to depend on its domestic market for continued growth until the early 1980s, because the US economy emerged unscathed from the oil shocks of the 1970s. The Japanese industry has been deterred from investing overseas by the power of the three trading houses – Mitsubishi, Mitsui and Itoh – which dominate textile exports from Japan.

Thus, until now, there has been little impetus for the big textile groups to invest in overseas production. Now, however,the industry is changing. In the last year or so the big textile groups have become embroiled in a succession of international acquisitions and associations.

Hugo Boss of West Germany moved into the US earlier this year by buying the Joseph & Feiss menswear business. Courtaulds, one of the largest UK companies, has spent more than £50m to buy lace and elastomerics businesses in France and the US. Chargeurs of France has been involved in a number of deals – chiefly by buying minority holdings – to establish an international presence in wool textiles.

DMC, another French group, has made no secret of its international ambitions. Its name has been suggested as a prospective predator for everything from Dominion Textiles of Canada to Coats Viyella. Mr Julien Charlier, its chairman, has a habit of bellowing: *"Je veux être le plus grand"* ("I want to be the biggest") at visiting industrialists. DMC has bought several businesses including Donnisthorpe, the UK thread company. It has also staged acquisitions through a joint venture with Nijverdal Ten Cate of the Netherlands.

Until now, even the largest groups have confined their manufacturing plants to their countries of origin

Toray, the biggest Japanese textile group, bought the Samuel Courtauld weaving business in the UK from Courtaulds for £25m earlier this year. Two other Japanese companies, Kurabo and Toyo Menka Kaisha, have joined forces with Tootal to build a £16m finishing plant in Scotland.

Many of these deals are small in scale. Yet they are indicative of a growing awareness among the larger groups of the need to safeguard their export markets by establishing an international presence in textiles.

In the past the European and north American groups have sourced from sub-contractors in emerging economies on grounds of cost. The rationale for the recent round of acquisitions is that they need to operate their own production plants in their major overseas markets not to cut costs, but to offer a better service.

Hugo Boss, for example, made almost half of its DM 596m (£195m) sales outside West Germany last year. Boss has built up a sophisticated system of servicing its European customers from its headquarters near Stuttgart in southern Germany. But it has become increasingly concerned about the long-term stability of the increasingly important US market.

One cause for concern was the fluctuation of the dollar against the D-Mark. Another was the political pressure for protectionism in the US. And it was not cost effective for Boss to ship some of its standard products, such as T-shirts, from West Germany to sell in the US.

Mr Jochen Holy, who runs Boss with his brother Uwe, decided that establishing a manufacturing base in the US was "the only way to protect our long-term interests." In January Boss bought Joseph & Feiss, one of the oldest menswear manufacturers in the US, with a huge production plant in Ohio.

Another catalyst for the wave of international acquisitions lies in the changing nature of textile production which has become increasingly capital intensive. The increase in automation – especially in spinning and weaving – is alleviating the old problems of operating labour intensive plants on an international basis and has created new opportunities to approach textiles as a global business.

The changes in the lace industry are an apt example. For years lacemaking has been dominated by small, family firms all operating within their own countries. And for years these firms have used the same machines: the Leavers system invented in the early 1800s and the Raschel machines from the 1950s.

But the introduction of the Jacquarditronic, a computer- controlled machine, is revolutionising the industry. The Jacquarditronic is faster and more flexible than the old machines. It is also much more expensive. The cost of remaining competitive in lacemaking is now too high for many of the family firms. Moreover it is suddenly much more lucrative for large companies to enter the industry.

Courtaulds has seized this opportunity. Last year it bought Desseilles, an old established French lace maker, and Liberty Fabrics, one of the largest lace and elastomerics companies in the US. It is now the biggest single force in the international lace industry.

The structural changes in textile production have been accompanied by changes in the market place. The speed with which fashions change and the need to keep stocks to a minimum mean that the most successful textile companies are those that offer the fastest and most flexible service to their customers.

The importance of "quick response" affects every area of the textile cycle. Mr Raoul Verret, president of Werner International, the management consultancy, is convinced that cost is becoming less important as a competitive advantage and textile companies must operate closer to the market to respond to the changing requirements of their customers.

Toray of Japan has been exporting its fine polyester fabrics to Europe for years. But it became concerned that it could not continue to be competitive without establishing a presence in the European market. Mr Kohei Sakamoto, vice-president, said Toray was worried that its service would be too slow and that it would not be sufficiently responsive to changes in fashion.

In February Toray bought the Samuel Courtauld plant in northern England from Courtaulds. It is now expanding it to increase output of fine polyester and plans to use the plant as its base for textile activities in Europe.

It has yet to be seen whether the new generation of global groups can overcome the old problems of operating in textiles on an international basis. The industry may be less labour intensive than in the past, but the level of automation is still far lower than in other areas of manufacturing. And, despite the recent rush of international alliances, the industry is still highly fragmented.

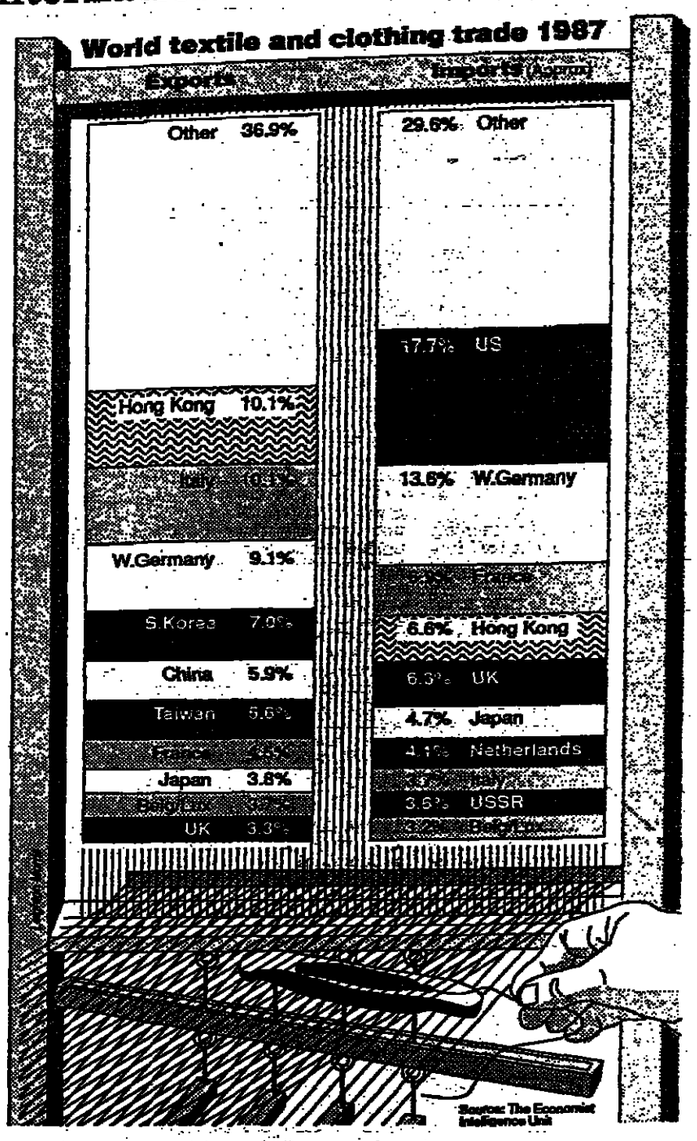
Farley Industries, the giant US textile group, took two years to bring its Fruit of the Loom clothing factory in the Irish Republic to the break-even point. Farley became involved with the plant, initially as a joint venture, four years ago and has been extending it ever since.

So far it has invested $80m (£52m), including grants, in the plant, which is now one of its main manufacturing centres for the European market. Mr William Farley, chairman, has no doubt that the investment was correct. But he admits that the project has been much more difficult than expected.

He cites the fragmented structure of the European market and the difference in distribution systems as the principal difficulties. "So far so good," he said. "But the Irish project has been much more complicated than manufacturing in the US."

The international deals show no sign of stopping, however. Scarcely a week goes by without a rumour of yet another Japanese or European group prowling the US. Coats is determined to press ahead with its bid for Tootal. And only a few weeks ago Courtaulds announced the acquisition of Georges Rech, the French fashion house.

"There are disadvantages to operating internationally in textiles but there are advantages too," says Mr Martin Taylor, chairman of Courtaulds Textiles. "Before we bought Desseilles we really thought we knew the product and the market. Owning the business has been invaluable. It has taught us just how little we really knew."



Poher still in the wings

■ The partial elections to the French Senate, which took place on Sunday, generated little excitement, largely because this sleepy institution has become so unimportant that it has become a subject of rather antiquarian interest. Its members are indirectly elected by local and departmental councillors (as well as by members of the National Assembly), which means that the rural areas are heavily over-represented, and the right has a built-in majority.

On Sunday the Gaullists did rather well, becoming the largest single group, and the centrists did badly; the Socialists maintained their position as the second largest group, but were mortified once again by the irrepressible renegade "Socialist" mayor of Marseilles, Robert Vigouroux, who with two allies took three Socialist senate seats.

But the real give-away of the comfortable unimportance of the Senate, is the fact that Alain Poher, President of the Senate, proposes to stand for an eighth three-year term; and there appears to be every chance that he will be elected unopposed.

This is a strange state of affairs. The President of the Senate is not merely third in protocol seniority in France; he takes over the functions of the presidency of the republic if the President resigns or dies. A number of prominent senators are known to want the job, starting with Charles Pasqua, leader of the Gaullists and tough Interior Minister in the 1986-88 Gaullist government; and Alain Poher, who has held the job for 21 years, is 80 years old and not a little frail. The circumstances seem tailor-made for a contested election.

The reason, no doubt, is that Poher is so much part of the history of the Fifth Republic that none of his potential rivals in this gentlemanly club cares to strike a discordant note. When De Gaulle resigned in 1969, Poher took over as President for two months, until a new election could be held. In that election, he stood against Georges Pompidou, and ran him a not-very-close second. And when Pompidou died in 1974, Poher again stood in as President, until the election of Giscard d'Estaing.

Le Monde asked a dozen of the more prominent senators why they were not standing for the Senate presidency, and they all gave the same explanation: Alain Poher. Charles Pasqua is a man who normally eats rival politicians for breakfast, but even he has been infected by a sense of decorum: "I shall never be a candidate against President Poher."

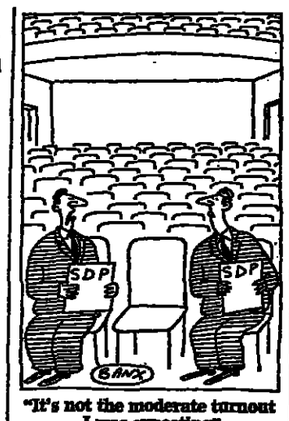
Lady hunter

■ Enter Akemi Okade, the head hunter. Okade is a very personable Japanese lady who will be helping Japanese companies setting up, or already established, in Britain to recruit British management.

Her appointment is part of a joint venture between Norman Broadbent International and the Persona Group of Japan. Ultimately it will be a two-way process: their joint subsidiary, known as NB Selection Japan Limited, will also be seeking Japanese managers for British companies taking off in and around Tokyo.

For the start, however, it is more of a one-way street. The Japanese are expected to keep their own people in the very top posts of their firms in Britain, but are looking for highly qualified British managers to come in and support them. The Persona Group has already set up a similar joint venture for management recruitment in West Germany.

OBSERVER



"It's not the moderate turnout I was expecting"

Okade will play the role of liaison officer between the British and Japanese ends of the venture. She speaks good English, spent a year at the London School of Economics and will help to find out from the Japanese managers what they really want from the British. She will not herself do the recruiting. No other Anglo-Japanese executive head hunting agency exists.

PMs' paradise

■ A tradition has grown up that heads of government at the biennial Commonwealth conferences should be whisked away for an idyllic weekend of relaxation to take their minds off the vexed issues such as the usefulness or otherwise of economic sanctions against South Africa. Very superior standards indeed have been set by host countries in recent years and this year Dr Mohammad Mahathir, Prime Minister of Malaysia, is hoping to provide the paradise island to beat them all.

As Malaysia already has jewels like Penang off the west coast and Tiomen off the east, he has set himself quite a target. The answer is a new island resort off the west coast up near Malaysia's border with Thailand – Langkawi Island, where the brilliant blue Indian Ocean runs into the Malacca Strait. The Pelangi beach resort, a replica of a Malaysian village but with high-tech facilities, is where the leaders will spend their weekend. More than a year has been spent getting it to perfection for their arrival. The only element which cannot be perfected is the weather: it rains for a short while most days – in October it tends to pour.

Secret file

■ Wolfgang Riecke, the head of the West German Bundesbank's international department, nearly found himself with a second job at the IMF annual meetings in Washington.

Under the impression that Riecke was a professional photographer, a zealous official tried to press the German central banker into taking pictures of the talented West German violinist, Anne-Sophie Mütter, who had just performed at a concert hosted by the Deutsche Bank.

With zoom lens and flash equipment, Riecke looked the part. He was unusually conspicuous. He normally operates with a small pocket camera and, over years of attending major financial conferences, is reputed to have built up an unrivalled collection of pictures of finance ministers and central bankers dozing through each others' speeches.

Quivering

■ A reader recently in Baghdad reports that one of the items on the English-language menu at his hotel was "Nervous pudding." It turned out to be jelly.

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MICROGNOSIS

Aid for Poland

How to help the Solidarity Government succeed

By Jeffrey Sachs

At the time of the Paris Summit last July, the western governments began to chart a strategy of modest economic aid to Poland based on three premises that quickly proved to be wrong: that Solidarity would remain in opposition; that economic reforms would proceed gradually and piecemeal under a Communist-led government; and that the Polish economy would remain sick but still manageable.

During the past two months, the situation has changed fundamentally. Solidarity has now formed the first non-Communist government in Eastern Europe, and Prime Minister Tadeusz Mazowiecki's cabinet has made clear its intention of creating a western-style market economy operating within a parliamentary democracy. At the same time, there has been a startling economic deterioration, with the outbreak of hyperinflation and the collapse of supplies in vital consumer goods markets.

The West must now create a new strategy of financial assistance. The previous plans for food aid and for some project lending are still useful, but are of limited significance. With Mr Mazowiecki's government battling for survival, aid from the West should aim to support the new government's efforts to end the hyperinflation and regain financial stability.

At this week's annual meetings of the IMF and World Bank, Leszek Balcerowicz, Poland's new Economy Minister, is circulating a timetable that outlines the harrowing tasks ahead. The timetable calls for a broad set of measures in the next two years to tame the hyperinflation, restore price stability, build Poland's private sector and put the sprawling government sector under market discipline.

The measures planned over the next six months are fraught with the greatest peril. Subsidies are to be cut sharply, prices are to be liberated from decades of arbitrary administrative controls, and the highly overvalued exchange rate is to be devalued, unified and made convertible. These changes will produce a "corrective" inflation on top of the existing rate of 50 per cent a month, but are necessary to eliminate the enormous budget deficit and to provide a realistic price structure in which the private sector can begin to function effectively.

After these corrective steps, there will be the chance early in 1990 to bring about a shift to price stability. As in the recent experiences of Bolivia, Mexico, Israel, and now Argentina, the government will be in a position to offer workers a stable, unified exchange rate and stable prices for key commodities (with prices tied to world levels), in return for a period of wage restraint. But the bargain will be hard to sell, since real wages will have been sharply reduced by the subsidy cuts.

The government will also carry out a series of crucial institutional reforms, to begin almost immediately. A new privatisation law will be introduced by the end of this year, with the aim of transforming much of Poland's state sector (which now accounts for more than 90 per cent of industrial production) into joint-stock companies owned by Poles and foreign investors. The government plans to tackle fundamental tax reform in 1990, to correct a tax system that is bewildering, arbitrary and punitive, with marginal tax rates that rise close to 100 per cent.

These reforms can end a situation in which skilled workers in the centre of Europe earn just $30 per month because the system arbitrarily kills efficient economic activity. With overvalued exchange rates and confiscatory taxes, it is no surprise Poland's recent export push has taken the shape of a flood of Polish workers moonlighting in the West and carrying goods in their cars for sale on the streets of West Berlin. Poland's chances of economic growth in the medium term are excellent, assuming that prices, the budget, and the ownership and tax systems can be rationalised as planned.

The West can play a vital role in fostering this transition by a rapid and well-directed program of financial support.

● Tadeusz Mazowiecki

Two kinds of actions are of over-arching importance. The first is a rapid infusion of foreign exchange to support the Government's efforts to stabilise the currency, and thereby break the hyperinflation. The second is extensive debt reduction, to remove the $39bn overhang of financial liabilities that will otherwise cripple Poland's chances for a fresh start.

Within the next 90 days, the West should support the following steps.

● The IMF should extend a one-year standby credit to Poland of around $700m (90 per cent of Poland's quota in the IMF)

● The World Bank should extend a $500m Structural Adjustment Loan to support the fundamental transformation of the economy. Both loans would be conditional on the policy changes the Polish authorities have already outlined.

● Most critically, the West should provide an immediate boost to Poland's depleted foreign exchange reserves through a stabilisation loan of at least $1bn, constituting about two months of Poland's imports from the West. The money from the IMF and World Bank is too small and will be disbursed too slowly to offer a substantial boost to foreign reserves which have fallen to just two weeks of imports. History has shown repeatedly that a stabilisation loan can greatly improve the chances for defeating a hyperinflation. By raising the prospects for a stable currency, the loan brightens the chances for wage restraint, and weakens the internal political opposition to fundamental reforms.

The western governments should also recognise that Poland's debt is now completely unserviceable for the next twelve months, and is substantially unpayable in the longer term. Therefore,

● The Paris Club of Poland's government creditors should simply refinance all debt service falling due in 1989 and 1990, and capitalise late payments from 1988. The commercial banks should similarly finance the interest due over the next year. After the dire emergency abates in 1990, the Government of Poland could start discussions with the Paris Club and the banks to achieve a long-lasting reduction, by about one half, of the debt burden.

The financial assistance that Poland needs is a pittance for the West. A $1bn stabilisation loan could easily be arranged in a morning through the swap networks of the central banks and finance ministries. The IMF and World Bank loans could be in place in 45 days. The package of debt reduction measures would merely make explicit what is already obvious in practice.

The stakes in Poland are enormous, not only for the Poles, but for the whole world. Success will point the way for peaceful economic reforms and democratisation in the rest of Eastern Europe and the Soviet Union. Failure, especially if it provokes a new clamp-down in Poland, could poison the chances for reform for years to come, and throw Europe back into the bitter days of the cold war.

If Poland's government fails for lack of adequate western support, our greatest loss would be spiritual. The West would be forced to confront for years to come a failure of will to act on behalf of the greatest western ideals of freedom and democracy.

The author is Galen L. Stone Professor of International Trade at Harvard University and an economic adviser to Solidarity

FOREIGN AFFAIRS

Time to bring Japan into the fold

The Western debate about how to deal with Japan is worryingly one-sided, argues **Jurek Martin**

Incredible though it may seem, Mrs Thatcher did Japan a service last week. In making her pitch for British stockbrokers, Scotch distillers and Fair-Isle sweater knitters, she reminded her hosts that yesterday's wars are still being fought in the West. By implication and omission, she also confirmed that tomorrow's problems, which ought to be about the full integration of Japan into the policy making deliberations of the community of industrialised nations, still take a back seat. Her Chancellor's determination in Washington this week to continue to block Japan's elevation to the number two spot in the International Monetary Fund is another example of this sort of pervasive recidivism.

What the British government does and thinks about Japan is not intrinsically very important, unless it comes to shape European attitudes, which it has not much so far, or is influential in the US, which is less the case now that the baton has been passed from Ronald Reagan to George Bush. The trouble, as a recent visit to Washington amply confirmed, is that what occasionally crosses the official British mind on Japan, when a Prime Minister goes to Tokyo or when a Chancellor goes to the IMF annual meeting, is increasingly common currency in Washington.

The great American debate over Japan is taking place in the open and at many different political, journalistic and intellectual levels. It is good that it has been extracted from the narrower confines of diplomats, Japanologists and protectionists. But, as currently constituted, the arguments are tending to flow pretty much one way. The following examples give a flavour.

● A recent edition of Fortune magazine, normally reasonably sober, carries an article under the headline "Where Japan will strike next." The language is not temperate. "If you think you have seen surprises from Japan stick around. Responding to fire breathing challenges from Korea and other growing Asian dragons, the folks who brought you the Walkman, the VCR and the Honda are readying a new assault . . . with the billions that Japanese companies have amassed at home and abroad, they are poised for a quantum jump in their already impressive share of world markets." And this is only in the first paragraph.

● In the more cerebral Atlantic magazine in August, James Fallows, of whom more later, launches a scathing attack on what he calls "the Japan handlers," those Americans who have managed the relationship in the post-war years. In many respects it is an excellent, informed piece, properly critical of the protective and mercenary inclinations of some of the breed. But it also accuses Mike Mansfield, ambassador in Tokyo for 12 years until his retirement in January, of something close to not representing American interests by deliberately subordinating in his embassy commercial considerations to political-military goals. In other Washington conversations, I heard Mr Mansfield described as "the anaesthetist." I thought I smelled a witch hunt brewing.

● Up on Capitol Hill, Congressman Richard Gephardt, now Democratic majority leader in the House, will shortly introduce a bill requiring that those Cabinet ministers with commercial briefs be included in all National Security Council deliberations on Japan. Blanket admission has hitherto been confined to the foreign, defence and intelligence establishments.

The conclusion drawn is that if Japan cannot or will not change it must be forced to do so

There is logic to this move. It may now be the case that the most powerful single US lever in the bilateral relationship are the Super 301 element of last year's Trade Act and the negotiations on structural impediments to trade. Further, the resolution of the FSX controversy (joint production of a new fighter for the Japanese military) in effect meant that the cordon sanitaire which successive US administrations had placed around the security relationship with Japan had been dismantled.

Whether the evolution of US policy will be enhanced by the simplistic opinions on the Japanese economy of Mr Robert Mosbacher, the Commerce Secretary, is another matter entirely. However, the hand of Congress in foreign policy making is growing more prevalent and an administration as passively inclined as this may not choose to fight the trend.

● It is, however, between hard covers that the debate is really raging. In the American corner are the so-called "gang of three" – Mr Fallows (in his book More Like Us), Karel van Wolferen, the Dutch journalist (The Enigma of Japanese Power) and Clyde Prestowitz, the former trade negotiator (Trading Places). They are being abetted by a spate of America bashing in Japan, exemplified in a new book, The Japan That Can Say No, by Akio Morita, the idiosyncratic Sony chief, and Shintaro Ishihara, a right wing Japanese politician.

All these books are very different. Mr Fallows's is actually not very much about Japan, though he has been living there, but mostly about a perception of his own country. For a writer of such intelligence and style, it is disappointingly one dimensional. Mr van Wolferen's is all about Japan – apart from an obligatory final chapter on American responses – and seems to me generally to be an excellent dissection of the Japanese system which, if anything, demystifies the proposition that Japan is culturally abnormal.

But the crude synthetic conclusion being drawn from all is that Japan cannot or will not change, that America cannot or will not match Japan, for cultural reasons on both sides of the Pacific, and that the answer, therefore, lies in the field of managed trade between the two, or forcing Japan to do what it might not otherwise want to.

The counter arguments are still a bit muted. Bill Emmott, the former Tokyo correspondent of the Economist, is about to join the fray with the US publication of The Sun Also Sets, maintaining that Japan's current surpluses are not set in concrete and that, in any case, Japan has recently been and is still experiencing extraordinary social and economic change. Two American academics, Kent Calder of Princeton, in a sophisticated analysis, Crisis and Compensation, and Gerald Curtis of Columbia, in the less questioning The Japanese Way of Politics, explain, with some sympathy, how Japanese policy is actually made.

But, in political terms, the defenders of the status quo with Japan (who also proclaim themselves anti-managed traders) are finding it tough going. John Makin, Japanese expert at the American Enterprise Institute, concedes that the relationship with Japan "is a crisis waiting to happen." He fears it might be brought on by some extraneous incident (a repeat, for example of the Toshiba affair). He concedes that the works of the gang of three have had an impact and can only bemoan that "none address the central issue, which is that US relations with Japan are themselves an anomaly."

The State Department, however, will not even concede this much publicly, contenting itself with the usual litany: that Mr Kaifu's recent visit to Washington was "successful," that the threat of a non-LDP government in Japan is still pretty remote (not an unreasonable position) and that, in any case, the Soviet threat to Japan and Asian security cannot be said to have declined.

Well, maybe not as of this precise moment. But there is a different world out there now and it is impossible to imagine the relationship between the US and Japan not changing while all about it is. In the US, most of the would-be architects of change veer towards the neo-brutalist. A trip to Tokyo next week may reveal the Japanese design.

LETTERS

The Labour Party's policy review and the utilities

From the Rt Hon Nicholas Ridley MP.

Sir, Bryan Gould's article ("Water flotation: Labour's attitude to the privatised industry," September 14) urging investors not to buy water shares raise wider questions about what lies behind the generalisations of the Labour Party's policy review.

Mr Gould made it clear that it would be a Labour Government's intention to depress the market price of shares by intervening to fix prices "to exclude the element of dividend to private shareholders." In a televised interview, he indicated the same rule would apply to other utilities – Gas, Electricity and British Telecom. In all these utilities, the Government has, quite rightly, set up a system of monopoly price control. It now appears that Labour proposes to use this to destroy the profitability of the investment.

Neil Kinnock's supposed "rebuke" to Mr Gould was nothing of the kind. He said that dividends would be payable, but felt obliged to add that "the calculations about appropriate prices will partly determine how much revenue is generated." That seems to confirm rather than contradict Mr Gould's assertion that price fixing would be used to leave the shareholder with little or no dividend, and little or no value for his shares.

In Labour's policy review, the relevant phrase covering repurchase of shares is that they would be bought at "a fair market price." Understandably, people took this to mean that a Labour Government would not go out of its way to depress the price in advance of re-nationalisation. But the review went on to say that all the major utilities would become "public interest companies" each with its own "public interest commissioner" who would set pricing policy according to "interests which are wider than those of the shareholder and other owners." Mr Kinnock was not able to disown Mr Gould, because Mr Gould was merely setting out what was implied in the policy review. The words "fair market price" can, after all, justify re-nationalisation without compensation if the business is worthless.

We should all be grateful to Bryan Gould for his little indiscretion which has drawn this out. What a mean trick it is, robbing millions of shareholders of their savings, while electioneering on a "fair market price."

Surely it is about time the same critical scrutiny was applied to other commitments in the Labour Party's policy review?

● What for example is meant by the pledge to give the Department of Trade and Industry "new powers" to make "strategic intervention in key sectors of the economy?" Why are such powers needed and how would they be exercised? Are they a euphemism for Clause IV?

● What is meant by the pledge to "introduce social audits for companies" to "challenge the tendency to split the economic sphere from the social"?

● Why does the next Labour Government need to "review the function and operation of the limited liability company"? It goes on to say "the law gives important privileges to shareholders in such companies. These privileges must be earned."

● What are the implications for us all of Labour's pledge to establish "voting control" in the water industry without necessarily buying the equity?

Mr Gould clearly considered himself justified by the policy review in setting out these policies.

Until Mr Gould fell into his own elephant trap, the Labour Party had been getting an easy ride on its policy review. Few asked too much about the detail. What little we now know has frightening implications for shareholders, pension funds and industry more generally. Surely the financial press, the fund manager and other representative organisations should be asking more searching questions?

Nicholas Ridley MP,
Secretary of State for Trade and Industry

Cash cough

From Mr David Richards.

Sir, Reviewing the advantages of marketable pollution permits as an anti-pollution measure ("Planet Earth: creating a market for pollution," September 16), Norman Myers attributes no significance to the fact that the permits raise revenue for government.

If Green policies are going to require public expenditure, then revenue-raising Green measures must be welcome. In the US, some government officials advocate an auction for permits to emit chlorofluorocarbons, so that the government, not the private sector, captures the windfall profits from diminishing supply.

In the long run, governments will maximise the revenue they raise from pollution permits if they issue them annually rather than sell them in perpetuity. This will also prevent some polluters holding on to permits in the hope of capital gains instead of selling them to other polluters who find it more expensive to reduce their emissions.

David Richards,
Economic and Social Science Research Association,
177 Vauxhall Bridge Road, SW1

Jobs galore

From Mr P.E. Haxby.

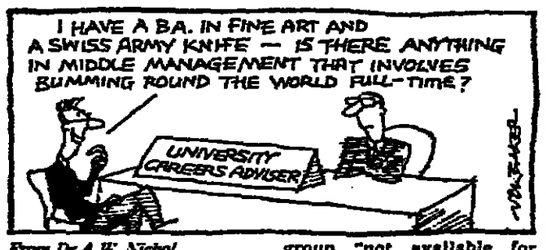
Sir, Michael Dixon (How graduates fared," September 13) suggests that nobody knows why a proportion of graduates, other than pensioners and parents, are not immediately available for employment, further study or training.

Any university careers adviser could have told him that most graduates in this category are taking time out to travel. Some of them will have deferred offers of employment available on their return.

The recent growth of this group reflects the growing confidence of students in an increasingly buoyant graduate recruitment market, but there is some way to go yet before taxpayers need feel threatened in any way.

Revisions already made to the coding system used in collecting first destination data will, from 1989, provide more detailed information about graduates who have been previously categorised as "not available."

P.E. Haxby,
Aston University,
Aston Triangle,
Birmingham



From Dr A.W. Nichol.

Sir, Contrary to the views of W.W. Sweet (Letters, September 16) and Michael Dixon, information about the destinations of new university graduates, weighted by subject mix, is published by the Committee of Vice-Chancellors and Principals (CVCP) in "CVCP:UFC Management Statistics and Performance Indicators."

The next edition will be published on October 2 and will include, for each university, the number of graduates recorded as unemployed or in short-term employment, together with a predicted value based on the national proportion in each subject. To do this calculation adequately requires consideration of more than a 100 distinct subjects, and it is impracticable to publish the underlying data in such detail.

Some breakdown of the group "not available for employment" is being collected for the December 1989 return and will be available next summer, but it must be recognised that university careers services are not well placed to make inquiries of a group who are inherently uninterested in their services.

The timing of our first destination record is too early for it to be really suitable for the kind of analysis in which Mr Dixon is interested: that is not its primary purpose. Nevertheless, some follow-up studies have been done which show that very few university graduates remain without employment or training one year to 18 months after graduation.

Dr A W Nichol,
The Universities Statistical Record,
PO Box 130,
Cheltenham

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GORBACHEV TELLS SUPREME SOVIET ECONOMIC REFORMS ARE CRUCIAL

Soviet budget plans to cut deficit by half

By A Correspondent in Moscow

MR Valentin Pavlov, the Soviet Finance Minister, yesterday proposed an austerity budget to deal with his country's economic crisis.

He plans to halve the budget deficit from 120bn roubles ($188bn) this year to 60bn roubles next, largely by raising new money and cutting the defence budget, and to issue bonds to cover the shortfall.

He also revealed that the country's external debt stands at 58bn roubles.

The budget was announced in the Supreme Soviet on the day it reconvened for what is expected to be a make-or-break session. In the next two months, the Parliament is due to pass several critical laws on economic reform – on property rights, leasing and republican economic autonomy.

In his opening speech, Mr Mikhail Gorbachev said that unless these crucial decisions were made, the country's economic slide would result in grave consequences "in the near future."

Part of the plan to cut the deficit is based on cuts which will reduce total government spending by 6bn roubles next year to 488bn roubles. The main burden falls on defence spending which will fall to 70.8bn roubles. This is 6.4bn roubles less than this year's figure and 12bn roubles less than the average for the past five years, enabling Mr Pavlov to claim that the cuts fulfill the 14 per cent reduction in military spending promised by Mr Gorbachev earlier this year.

The composition of spending is also to change. To increase the supply of goods in the shops, Mr Pavlov said capital expenditure will be slashed to spend more on consumer-goods production, a measure long advocated by Soviet economists. Money earmarked for current consumption and non-industrial construction will rise by 86 per cent.

Most of the reduction in the deficit, however, will come from increased revenues. Mr Pavlov said that he expects government income to rise by 12.5 per cent to 488bn roubles next year.

The new money is to come from the introduction of an income tax, as previously announced, and from a tax on companies' turnover set at 28.9 per cent for 1990.

Until recently, Soviet budget figures have not been considered worth scrutiny because they merely validated the five-year plan. This budget, however, marks a change not only in outlining a comprehensive plan for tackling the country's economic ills, but also in confirming that a money market will be introduced in the Soviet Union next year.

The 60bn roubles budget deficit is to be financed by an issue of state bonds, pushing the country's internal debt up to 400bn roubles.

Opec due to approve production ceiling

By Steven Butler in Geneva

OIL ministers from the Organisation of Petroleum Exporting Countries (Opec) were last night due to meet to approve an agreement raising the production ceiling to 21m barrels a day.

A breakthrough was achieved earlier in the day after an unexpected softening by Algeria in its opposition to any increase in the current production ceiling of 19.5m b/d before Opec had achieved its price target of $18 a barrel.

A new production agreement is seen as a critical test of Opec's ability to discipline itself and to respond to changing market conditions. It will also affect the organisation's ability to manage the market early next year, when many analysts expect a sudden softening of demand for its crude oil.

Although details of yesterday's proposed agreement have yet to emerge, it appeared likely to lead to an increase in oil production by the Opec members. Output is currently running at 22m b/d, some 2.5m b/d above the ceiling.

The proposed agreement was understood to involve a pro-rata increase for all 13 Opec members. However, it remained unclear whether there would be any concessions to meet Kuwait's demand for an increase in its quota.

Kuwait has refused to soften its demand for a special quota increase from 1.093m b/d to 1.35m b/d before any pro-rata distribution. This raises the possibility that without a significant concession, Kuwaiti production at roughly 2m b/d could continue unrestrained while other Opec members raise their production to meet the higher quotas.

Both Kuwait and Libya were last night understood to be awaiting instructions from their governments before signing the accord, and either could block the new agreement. In June, Kuwait signed the Opec production agreement with reservations, and served notice that it would violate its quota. The United Arab Emirates is the other main quota violator.

Both Saudi Arabia and Iraq, which have excess production capacity, had strongly backed the moves for a rise in the production ceiling. They were initially opposed by a majority of members who wanted higher prices, but a compromise by Iran was the turning point.

By yesterday morning only Algeria stood out against the agreement on the grounds that it saw no sense in increasing supplies when Opec's price target was still not being met. However, Mr Sadek Boussena, the Algerian oil minister, later said that his country could back a ceiling increase provided there were guarantees that others would not violate their quotas.

There were fears at the meeting that by awarding an increase on a pro-rata basis, Opec would be throwing away an opportunity provided by a surge in oil consumption to satisfy Kuwait's demand for a higher quota while awarding increases to other members as well.

Such an opportunity is thought unlikely to arise again for at least nine months, raising the possibility of persistent production indiscipline.

Vietnamese leave Cambodia to civil war

By Robin Pauley, Asia Editor, in London

CAMBODIA'S war against Vietnam turned into a civil war yesterday as Vietnamese troops streamed out of Phnom Penh to end an 11-year occupation.

This leaves the Cambodian Government of Hun Sen, which the Vietnamese installed and supported, to fight alone against the three resistance groups, the most notorious being Pol Pot's Khmer Rouge.

Hun Sen, surrounded by Communist Party colleagues, waved goodbye to columns of Vietnamese soldiers from a dais by the Royal Palace.

Officials said about 150,000 people crowded the green in front of the palace and lined Lenin Boulevard, the main street of the capital which is still struggling back to its feet nearly 11 years after the Vietnamese invaded on Christmas Day 1978 to overthrow Pol Pot's government. The regime's policies resulted an estimated 1m Cambodians dead in four years out of a total population of about 8m.

The crowds waved Cambodian and Vietnamese flags handed out by the authorities, but the exuberance of the occasion was tempered by anxiety.

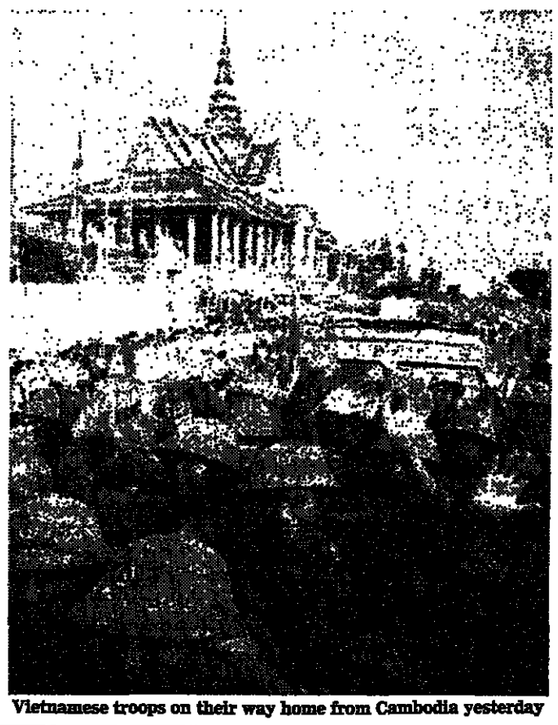
"We must prevent the return of Pol Pot. Our country must never have anything like that again," a student of English told a Reuter correspondent.

Hun Sen expressed his people's hopes at a news conference: "All countries involved in the conflict have promised to stop arms supplies to warring Cambodian parties after the Vietnamese troops are gone. Now they must carry out their promise."

The US and China are the main arms suppliers to the Khmer Rouge. The US appears to be in some difficulty in deciding on a new Cambodia policy and the Chinese seem to have moved away from a previous commitment to reduce military support once the withdrawal was complete.

The Cambodian army, which Hun Sen says is strong enough to resist an expected offensive, was reported to be engaged in skirmishes yesterday against Khmer Rouge and non-communist resistance forces from their bases along the western border with Thailand. Mortar and artillery exchanges were heard in hills just south of the Thai border town of Aranyaprathet, an area infiltrated by the Khmer Rouge.

Background, Page 4



Vietnamese troops on their way home from Cambodia yesterday

Sightseeing amid Beirut ruins

Continued from Page 1

closed at 450 to the Lebanese pound, having lost 17 per cent of its value in one week. Banks that could not provide dollars through the worst weeks of the conflict were awash in green paper. As Ghassan Tayara, a Hamra bank manager, put it: "We need Lebanese pounds now – thank God we got them in before the rush started."

Local entrepreneurs have been quick to take advantage of peace. There is scarcely a building without broken windows left and the price of 6mm glass has quadrupled from $3 per square meter to $12.

The stream of returnees is flowingback into Beirut after the largest mass exodus from any city in the Middle East in recent years.

A busload of Shia Moslems emblazoned with an Iranian flag spilled women in chadors and men in black shirts of mourning onto the central square in the mountain town of Dar el Kamar: a pause for spring water from the fountain before the descent into Beirut. Across the street from the Hizbollah headquarters in Ouzai, at the southern entry to the city, traffic backed up at the militia check-point that had been abandoned throughout the summer. The young pro-Iranian gunmen have also returned, wearing t-shirts bearing the image of Ayatollah Khomeini.

Twenty-seven-year-old Rudi Homaidar and her husband Kamalwere among the tens of thousands who drove back into town. After three months living with Kamal's brother in the mountain town of Dfoun, the young couple brought their two small children, their possessions and important papers back to Beirut.

"Every night when the shelling started the baby would scream and the three-year-old hung on to her father and trembled," Mrs Homaidar recalled. "Finally there was no more electricity or water and there were rumours that the shelling would get even worse. I am happy to be back in Beirut, but conditions aren't much better."

The confidence of the Lebanese seeps back slowly. SalwaKhai, 50, a filing clerk, continued sleeping on a neighbour's floor that was less exposed to shellfire than her own bedroom for two nights after Gen Aoun accepted the Arab League peace plan. "Last night, I slept in my bed for the first time in a month and a half," she said. "I was so excited I couldn't sleep."

WORLD WEATHER

	°C	°F		°C	°F		°C	°F		°C	°F
Ajaccio	Ra		Dubrovnik	F	24	75	Malta	S	27	81	Rhodes	S	25	79
Algiers	S	31	88	Edinburgh	R	16	61	Manchester	F	17	63	Rio de J'o			26	95
Amsterdam	S	19	66	Faro	S	22	72	Manila	F	32	90	Rome	S	24	75
Athens	S	26	79	Florence	C	24	75	Melbourne	S	13	55	Salzburg	Dr	16	61
Bahrain	S	35	95	Frankfurt	S	17	63	Mexico City	C	24	75	San Francisco	F	14	57
Bangkok	F	32	90	Funchal	C	21	70	Miami	F	28	82	Seoul	S	22	72
Barcelona	F	28	82	Geneva	S	21	70	Milan	S	23	73	Singapore	T	28	82
Beirut		–		Gibraltar			79	Montreal	S	7	45	Stockholm	C	13	55
Belfast	C	15	59	Glasgow	C	14	57	Moscow	S	21	70	Strasbourg	F	17	63
Belgrade	F	24	75	Guernsey	S	20	68	Munich	C	15	59	Sydney	S	25	79
Berlin	F	19	66	Helsinki	C	14	57	Nairobi	F	26	82	Taipei	F	33	91
Biarritz	S	23	73	H. Kong	F	31		Naples	88	C	79	Tangier	S	27	81
Bombay	F	31	88	Innsbruck	F	20	68	Nassau				Tel Aviv	S	28	82
Bordeaux	S	23	73	Inverness	F	14	57	New Delhi	S	31	88	Tenerife	S	25	77
Brussels	S	18	64	Islamabad	F	29	84	New York	S	11	52	Tokyo	S	26	79
Budapest	S	24	75	Istanbul	S	23	73	Nice	S	23	73	Toronto	S	3	37
B Aires	F	19	66	Jakarta				Nicosia	S	28	79	Tunis	F	27	81
Cairo	S	30	86	Jersey	S	21	70	Oporto	F	18	64	Valencia	F	26	79
Cape Town	S	22	72	Jo'burg	S	20	68	Oslo	C	17	63	Venice	Fg	23	73
Caracas	F	27	81	Lima				Paris	S	19	66	Vienna	S	20	68
Casablanca	S	25	77	Lisbon	S	19	66	Peking	S	23	73	Warsaw	S	21	70
Chicago	S	4	39	London	S	21	70	Prague	C	19	66	Washington	F	10	50
Cologne	F	17	63	Los Angeles	F	18	64	Reykjavik	C	7	45	Zurich	F	16	59
Copenhagen	S	18	64	Luxembourg	T	15	60									
Corfu	S	29	82	Madrid	S	25	77									
Dallas		–	–	Majorca	S	26	79									
Dublin	F	18	64	Malaga	S	26	79									

C-Cloudy Dr-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Readings at mid-day yesterday

Dollar falls on G7 intervention

Continued from Page 1

However, the real investors, the international institutions which move their capital into currencies for the long term, pay little attention to intervention, except to take advantage of the benefits. "Sometimes intervention means fund managers can buy their dollars on the cheap," said an analyst. "This is the dilemma of central banks: by intervening they are offering cheap dollars to the market."

US markets reacted relatively calmly to the fall of the dollar in Europe. But combined with a strong report for the first 10 days of car sales in September stock and bond prices fell. Prices for 30-year Treasury bonds were more than a point lower to yield 8.29 per cent, while the Dow Jones Industrial Average fell 22.42 to 2659.19.

Bush weapons proposal

Continued from Page 1

in the first eight years of a chemical weapons treaty the US would be ready to destroy 98 per cent of its stockpile provided the Soviet Union joined the ban.

The US is also ready to destroy all its chemical weapons within 10 years of a treaty, once all nations capable of building such weapons sign that total ban treaty.

Mr Baker and Mr Shevardnadze agreed to exchange information about chemical weapons and to inspect each other's plants.

Mr Bush's proposal reflects the reported view of the US Joint Chiefs of Staff that an agreement should be pursued with the Soviet Union as an alternative to completing a global ban which will be difficult to reach and verify.

The State Department has, however, favoured a joint US/Soviet initiative as a way of securing wider agreement.

One of Mr Bush's central themes was the progress of democratic reform, not only in Eastern Europe but in other regimes in Latin America and Africa.

US blocks IMF accord to raise new resources

Continued from Page 1

The postponement of the quota decision deferred discussions on the knotty political problem of Japan's wish to move up from number five in the IMF pecking order and replace Britain as the fund's second largest shareholder.

A Japanese proposal for a special quota increase that would have lifted its position in the fund was blocked in the meeting by Mr Theo Waigel, West German Finance Minister. Mr Ryutaro Hashimoto, Japan's Finance Minister, said after the talks that "it won't be an easy task" for Japan to obtain agreement on a new pecking order. However, the Interim Committee agreed guidelines to determine an eventual size and distribution of fund quotas.

The communique said quota increases and changes should maintain a balance between different groups of countries in the IMF and take account of changes in the world economy as well as the relative positions of members since quotas were last raised in 1982-83. The members also agreed that the fund should currently be able to carry out its responsibilities including those associated with the Brady plan for debt and debt service reduction.

The Interim Committee agreed that all members should receive a meaningful increase in quotas and that uniform rules should govern the quota distribution. It said ad hoc quota increases such as that demanded in the meeting by Japan could form part of an eventual quota increase.

UK Tories adopt team approach to win back voters

By Philip Stephens, Political Editor, in London

Britain's ruling Conservative Party yesterday unveiled its strategy to refurbish the Government's public image and to emphasise its "team approach" in the run-up to the next general election.

Mr Kenneth Baker, appointed party chairman in July to plan tactics for the election, due by mid-1992, said a new slogan – "The right team for Britain's future" – would underline the Government's determination to respond to public concerns and the skill and experience of its ministers.

The slogan, which will provide the backdrop for October's party conference, suggests an effort to defuse opposition claims that the Government is totally dominated by Mrs Margaret Thatcher, the Prime Minister.

Mr Baker denied that there was any attempt to downgrade her role, insisting that Mrs Thatcher was still very much "captain of the team." But his comment that "the emphasis on the team is very important," will be seen as an attempt to broaden the party's support and to prepare for her eventual retirement.

Along with Mr John Major, the Foreign Secretary, Mr Michael Heseltine, the former Defence Secretary and Mr Chris Patten, the Environment Secretary, Mr Baker is a leading candidate for the leadership.

Launching the conference agenda, Mr Baker said the party recognised that "quality of life issues", ranging from the global environment to improving public services, would dominate the 1990s.

Mr Baker wants the conference to signal the start of a turnaround in the Government's fortunes. In recent months its support in opinion polls has been as much as 10 points behind that of the Labour Party, and the agenda suggests unease among party activists.

THE LEX COLUMN

Seven up against the dollar

While the scale of concerted intervention against the dollar yesterday was highly impressive, its main aim may have been to show a doubting market that the G7 still exists. The question is whether the participants retain their collective zeal when they get home; if not, the unchanged fundamentals suggest that after a few weeks' intimidation the dollar may resume its climb.

But in the meantime, the pressure for higher interest rates in West Germany and Japan has certainly relaxed. Yesterday Japanese bond yields eased a little; and for Germany, looking chiefly to the European currencies and with no real domestic grounds for a rate rise, a dollar rate of DM1.905 seems perfectly comfortable.

If one therefore assumes that German rates are unlikely to go up at the next Bundesbank meeting on Thursday week, the main threat to UK rates comes with today's trade figures. With typical market fickleness, these are back at the centre of attention; and if they are not good enough to compensate for last month's erratically bad figures, sterling may be under pressure again. But the timing is such that the authorities may be very reluctant to raise rates in sterling's defence. The party conference looms, and as long as higher mortgage rates are threatened in any case, 15 per cent base rates would in domestic terms be a waste of powder.

For London's securities industry, a good set of trade figures is starting to look a necessity. The problem once again is volume, which for several weeks has been dwindling to seriously uneconomic levels and yesterday sank to much its lowest point so far this year. The market remains becalmed between the opposing forces of fundamental valuation on the one hand, and liquidity and bid activity on the other. Even on down days, no-one is selling. Much more of this, and the next stage of London's capacity crisis will be at hand.

Hays

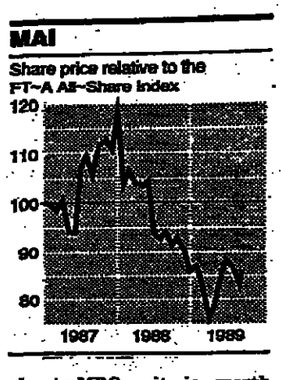
Hays may seem relatively bold in launching a £150m new issue ahead of water's privatisation, but the risk doubtless seems paltry to a company which announced a management buyout the day after Black Monday. And after some of the recent bad publicity about MBOs, it is worth remembering why they became so popular. In two years, Hays has achieved sufficent profits growth to be able to float, pay off its debts, and end up with a likely market capitalisation of around £450m – 80 per cent higher than the buyout price.

All this has been achieved with a hotchpotch of operations ranging from chemicals distribution via employment agencies to shipping services. Some of the distribution businesses are vulnerable to margin pressure, but the company undoubtedly has several subsidiaries with growth potential; take, for example, its Britdoc subsidiary, which claims to deliver letters overnight for two-thirds of the cost of first class mail. And Hays also operates in several niche markets where the competition is not too intense and the margins consequently higher. In personnel, it places accountants rather than secretaries; in parcel delivery, it has concentrated on fragile and specialist items rather than trying to take on the likes of TNT.

However, the sheer diversity of Hays consigns it to the conglomerates sector, where premium ratings are only achieved by such as BTR and Hanson. The most obviously comparable company is BET, which is only accorded a prospective rating of around 11.5, in line with the market. It is hard to see Schroders asking much more than a multiple of 12 for Hays if the requisite premium is to be left for the stags.

MAI

There is rich irony in the way the share price of MAI has behaved in the 11 weeks since it said it was merging its European poster business with France's Havas. The deal was intended, partly, to reveal the value hidden in MAI's media side; but the day it was announced, the shares promptly fell 2p to 103p, and have mostly underperformed the market ever since. By contrast, the shares rose 4p to 110p yesterday, when the only news was MAI's creditable but still unexciting annual results, with earnings per share up 3 per cent at 10.3p but still below their 1987 peak.

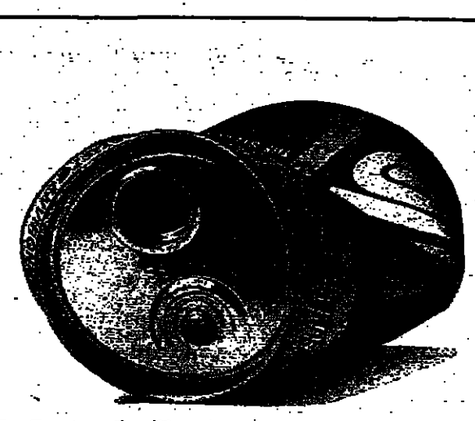


What the stock market is saying, it seems, is that Mr Clive Hollick's efforts to prod the City into what he sees as a proper valuation of MAI, via some deft restructuring, are of much less interest than the solid organic growth in posters and market research. One of his next tricks is to be a separate listing, come 1991, of MAI's market research and information services side; and a sizeable part of the £50m cash the group says it has available for expansion is earmarked for that area.

This may or may not be a shrewd idea. The first thing every analyst learns about MAI is that its sub-standard p/e ratio, usually below 11 times historic earnings, comes from the cyclicality of the money and securities broking operations which still account for close to 58 per cent of pre-tax profits. The trouble is that the share price is unlikely to benefit much in the near term from something which, if the market's response to the Havas deal is anything to go by, could be something of a non-event in any case.

RJR Nabisco

With the KKR machine's characteristic efficiency, the RJR Nabisco buyout seems to be proceeding to plan. The $1.5bn sale of the Del Monte processed foods business to a management-led consortium means the first year target of $5bn disposals has been reached with months to spare. Though KKR professes itself in no hurry to sell more, the right buyer could still pick up the dominant position in the US biscuit market with Nabisco, or brands like Planters, Life Savers and Fleischman margarine. It must all look very comforting to Sir James Goldsmith, with one proviso. KKR's immense financial firepower means that it can pick its timing; Sir James, if he does get BAT, will be a man in a tearing hurry.



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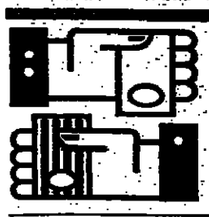
SECTION III

FINANCIAL TIMES SURVEY



Free market economics and new technologies have boosted economic growth. While many problems remain, the world economy is sailing towards the new decade in a more buoyant mood, writes Peter Norman.

Illustration by David Worth

The World Economy

Hope for a better future

THE 1980s look set to go out on a high note.

The decade began with the world economy reeling from the inflationary oil price increases of the 1970s and entering a severe global recession. It is ending with the industrial countries looking back on one of the longest periods of growth since the Second World War.

A decade ago, few observers would have placed bets on the past 10 years witnessing a renaissance of free market capitalism. But for all their imperfections, Reaganomics and Thatcherism have proven triumphant.

Hungary, Poland and even the Soviet Union are moving towards more liberal economic systems while thousands of refugees from East Germany have voted with their feet against hard-line Communism and risked all to move West.

There are, of course, a multitude of problems that remain. Despite growth, unemployment continues to affect nearly 28m people in the industrial world and is chronic in the slums and shanty towns of the Third World. Abject poverty is a seemingly intractable, running sore in much of sub-Saharan Africa, Bangladesh and many other developing countries. Protectionism remains a continuing threat to the growth of prosperity in both rich and poor nations. Much remains to be done to resolve the Third World debt crisis, now in its eighth year.

However, this year has seen a growing belief among policy makers, especially in the industrial world, that some of their earlier concerns may be on the mend. Symptomatic of the new mood was the way this year's economic summit in Paris of the Group of Seven leading industrial nations concentrated on the long-term environmental threats to the future welfare of the planet and barely touched on issues of economic crisis management.

Inflation seems less of a threat than it did only six months ago. The chances of a new recession are slight, according to the latest World Economic Outlook from the International Monetary Fund. The large imbalances between the US current account deficit and the West German and Japanese surpluses, which have filled economists with foreboding throughout the 1980s, appear less laden with danger to financial markets and policy-makers alike.

"The only thing I really fear is complacency," a senior G7 finance ministry official admitted recently.

In marked contrast to the early 1980s, the leading industrial powers have demonstrated their ability to work together. Admittedly, G7 policy co-ordination can be overridden by national interests. For example, the notion of keeping exchange rates stable agreed in the Louvre Accord of February 1987 has evolved into a more flexible approach in which market forces are some times given their head in preference to costly central bank intervention.

But anybody doubting the effectiveness of co-operation among the Seven need only reflect on the world's successful recovery after the global stock market crash of October 1987.

The same spirit of co-operation rather than confrontation is apparent in the way many developing countries, including most of the heavily indebted nations of Latin America, now view their relations with the industrialised world. For all the criticism levelled at the debt reduction programme of Mr Nicholas Brady, the US Treasury Secretary, it symbolises a determination on the part of the industrial and developing countries to tackle the debt crisis jointly.

This improved tone in the world economy owes a great deal to economic growth. Last year, output in the industrial countries not only expanded by a strong 4.1 per cent in real terms but was based on a healthy broad-based surge in fixed investment by businesses. This holds out the hope of steady growth in the years ahead.

The industrial country expansion was matched by a 4.2 per cent gain in the overall gross domestic product of the developing countries, one of the highest growth rates of the past 10 years.

Here, however, there was a marked variation between the performance of the various country groups. The newly industrialising countries of Korea, Taiwan, Hong Kong and Singapore grew by almost 10 per cent. Investment and growth have stayed weak in the heavily indebted nations of Latin America and most of sub-Saharan Africa, where per capita incomes continue to decline.

For this year, the Paris-based Organisation for Economic Co-operation and Development has projected a still robust 3.25 per cent growth for the 24 industrial countries that make up its membership. Looking ahead to next year, both the OECD and IMF see industrial country growth continuing at between 2.75 and 3 per cent.

KEY ECONOMIC INDICATORS — *see page 2*

About 18 months ago, it became apparent that strong growth was fuelling a resurgence in inflationary pressures that prompted a general tightening of monetary policy in the major industrial economies. That growth is continuing, while inflationary pressures appear to have eased, suggesting that the action taken by the world monetary authorities to curb inflation has not yet choked off investment.

In the US, Mr Alan Greenspan, the chairman of the Federal Reserve, appears so far to be successfully "fine tuning" the economy onto a disinflationary path while avoiding the perils of recession.

In Britain, where Mr Nigel Lawson, the Chancellor, nearly doubled bank base rates to 14 per cent in the year to May to clamp down on retail price inflation that rose to more than 8 per cent, there has been remarkably little sign so far of a generalised investment slowdown.

In West Germany, which tightened policy as inflation rose towards 3 per cent, officials are suggesting that the country could achieve its highest growth rate of the 1980s this year. German gross national product grew at an annual rate of 4.9 per cent in the second quarter of this year, the highest rate since the first quarter of 1980. However, inflation appears to be slowing: to an annual rate of 2.9 per cent in August after 3.0 per cent in July.

Of the top five economies, only Japan, where the Government has been paralysed by a series of political scandals for much of the year, has still to bite the bullet of tighter monetary policy. Japanese domestic growth is strong and demand-led, giving a push to inflation.

While other countries may only have to remain vigilant as far as inflation is concerned, Japan may have to act.

The battle against inflation is not painless. Some countries, like Britain, face a fairly bleak short-term economic future. But it seems possible that most major industrial countries will manage to curb inflation without tipping into recession. If so, that could tell us something about improvements in the efficiency and responsiveness of the world economy during the 1980s.

In the industrial economies, there has been a rapid spread of technological innovation, especially of information technology, while governments have focused on promoting supply-side and structural reforms.

For a long time, the fruits of such efforts have been slow to appear. The OECD reported earlier this year that there were "major gaps between stated objectives and achievements" and a "great deal of

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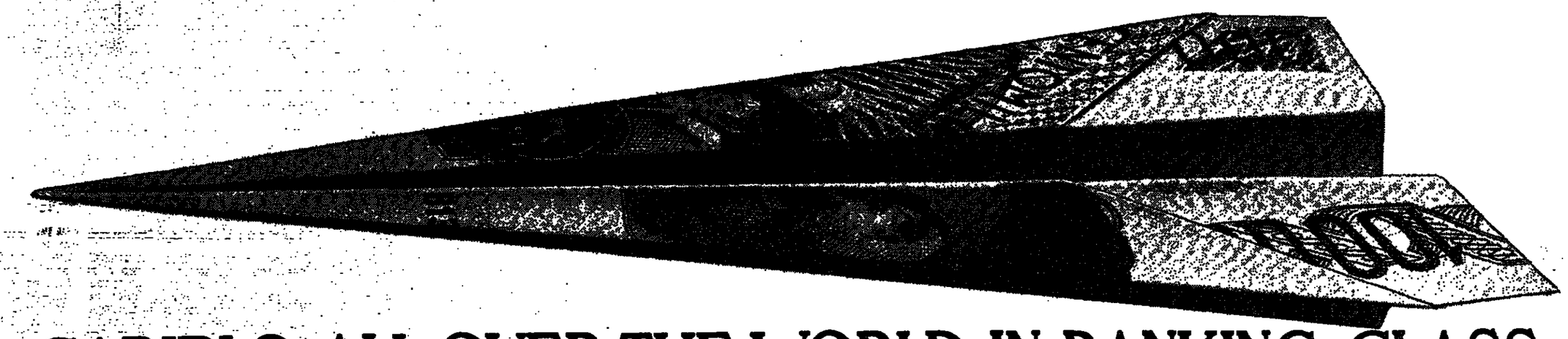
Editorial production: Michael Wiltshire

Ayer



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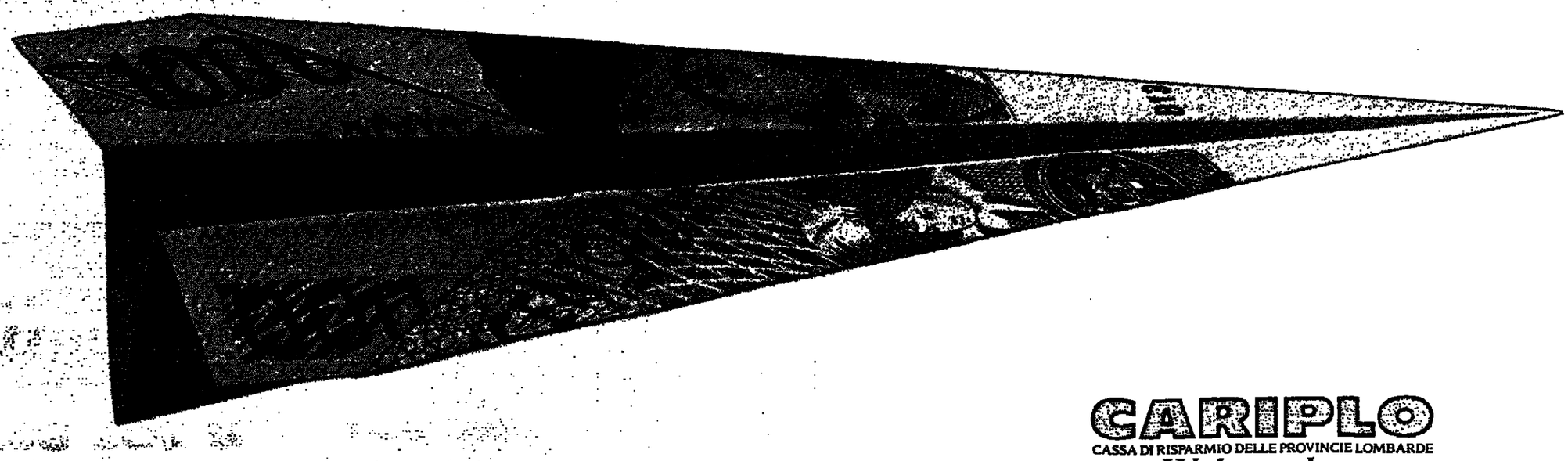

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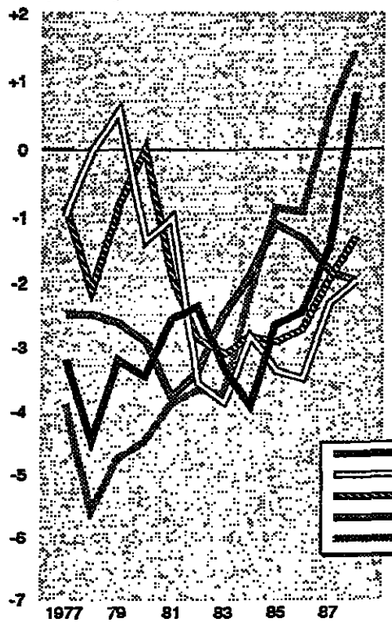
THE WORLD ECONOMY 2

The economic indicators that matter most

Budget surplus/deficit

As a percentage of GNP

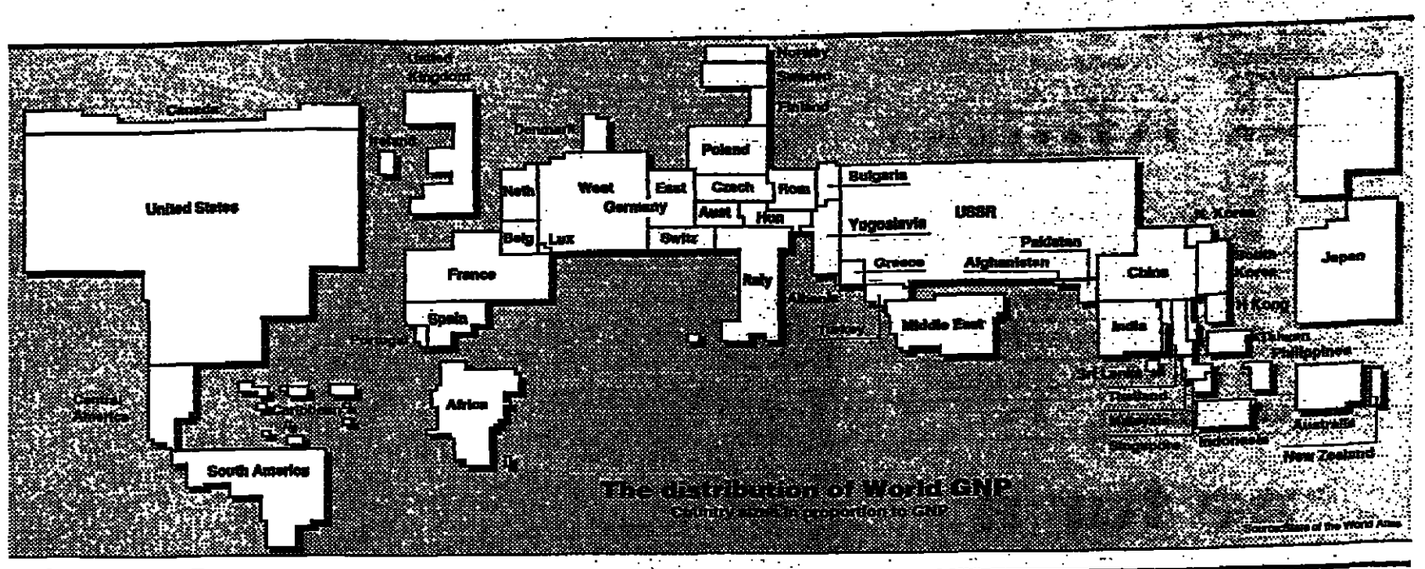


Current account

As a percentage of GNP

Source: OECD

■ **THE TWO DEFICITS:** The last few years have been disturbing for those who believe there is a simply relationship between fiscal policy and the current account of the balance of payments. After great divergence in the late 1970s and early 1980s the fiscal positions of the members of the Group of Five industrial countries converged. Most have also shown some improvement since the mid-80s, especially those of the UK and Japan. Only West Germany's fiscal deficit has increased since 1985. Yet it is West Germany that has the most stubborn current account surplus. By contrast, the UK has apparently done everything right fiscally, but its current account deficit surpassed even that of the US, as a share of gross national product, during 1988.



The distribution of World GNP
Country areas in proportion to GNP

How the world has turned

THE ECONOMIC world is nothing like the maps with which everyone is familiar. Western Europe bulks as large as the rest of the Eurasian land mass. The UK is as large as Africa. Japan is larger than the rest of eastern and southern Asia combined, while the US dwarfs Latin America.

But relative weights have been changing, most strikingly with the rise of Japan. In 1965, Japan accounted for only 5.2 per cent of gross world product (here excluding the eastern European countries).

By 1987 that share was nearly 16 per cent. Surprisingly, the US share in gross world product has hardly changed since the mid-1970s, following its earlier fall, while the shares of the major western European countries have also changed rather little

REPORT BY MARTIN WOLF

Research by Sue Cockerill; graphics by Bob Hutchison and Paul Saunders

(though there have been interesting changes among them).

For those worried about the environmental sustainability of economic growth, world commodity output rose almost threefold over a quarter of a century, despite the downturn in the early 1980s. At that rate it would rise 81 times in a century.

As has been the case ever since the Second World War, manufacturing output has grown faster than commodity output as a whole, while world trade has risen faster still. The world economy gets bigger and more integrated all the time.

More and more of it is in east Asia, too. The growth of Japan's share in gross world product, as measured in market prices, has much to do with movements of exchange rates. Japan's share of world exports of manufactures has also risen since the early 1970s, though modestly, from 10 to 13 per cent.

The east Asian newly industrialising countries have been the great success. Their share of world exports of manufactures grew from 3.7 to 9.1 per cent in just 14 years. None the less, the members of the European Community (here shown with internal trade included) remain the dominant exporters of manufactures (and would still be the largest if internal trade were excluded).

Alongside the longer term trends, the last two decades have seen considerable economic instability, with particularly devastating consequences for commodity exporting developing countries. Perhaps the most striking single indicator of that instability is the price of oil. The real oil price is now below the level reached after the first oil shock and only a third of its peak during the second oil shock. The market has triumphed over the "oil shortage". It has wreaked havoc in the process. The terms of trade of the oil exporting countries have gone over an extraordinarily steep roller coaster. Many of them are now in dire straits. As might be expected, the terms of trade of the industrial countries have moved inversely with those of the oil exporters, but far less steeply.

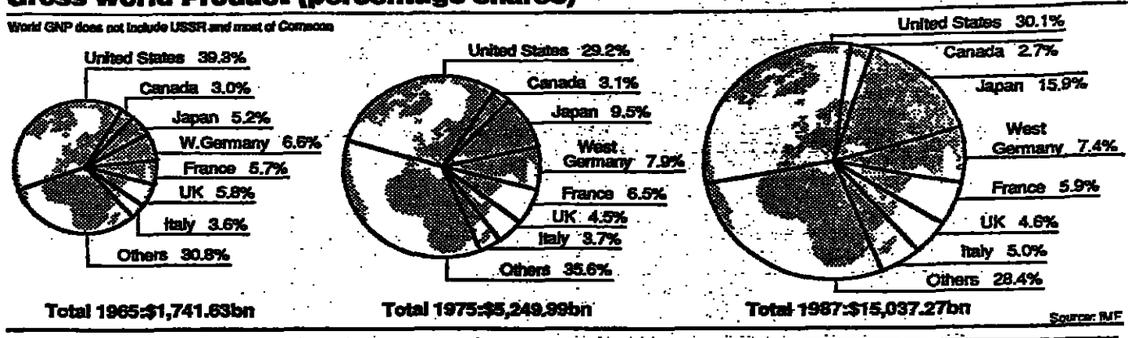
Meanwhile, for non-oil developing countries things have gone from bad to worse. The purchasing power of their exports fell by about 20 per cent between 1970 and 1987.

The dismal behaviour of the terms of trade of the non-oil developing countries reflects the fall of commodity prices. Between their peak in the years preceding the first oil shock and 1987, real commodity prices (excluding fuel) fell by almost 50 per cent, before a small recovery in 1988.

It was the fall in the real price of commodities (including oil) that, along with the high nominal rates of interest of the early 1980s, raised real interest rates on developing country debt to levels of much more than 10 per cent and produced the debt swamp in which so many countries remain mired.

Gross World Product (percentage shares)

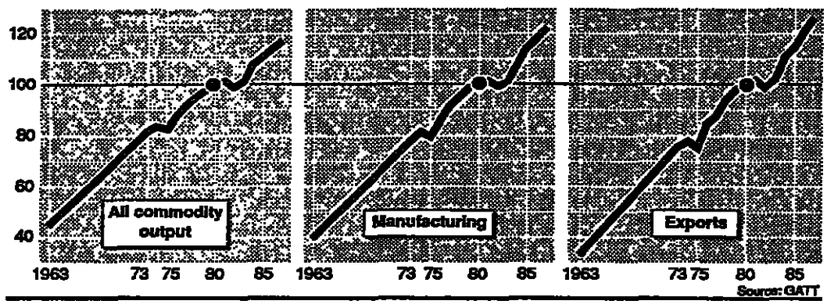
World GNP does not include USSR and most of Comecon



Source: IMF

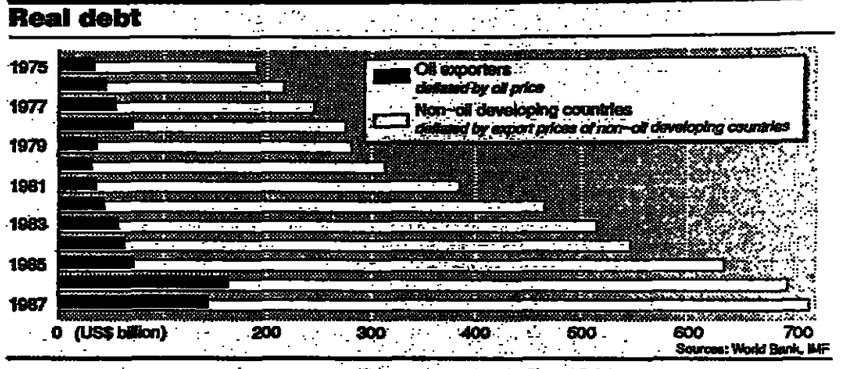
World output and trade (volume)

Index 1980 = 100



Source: GATT

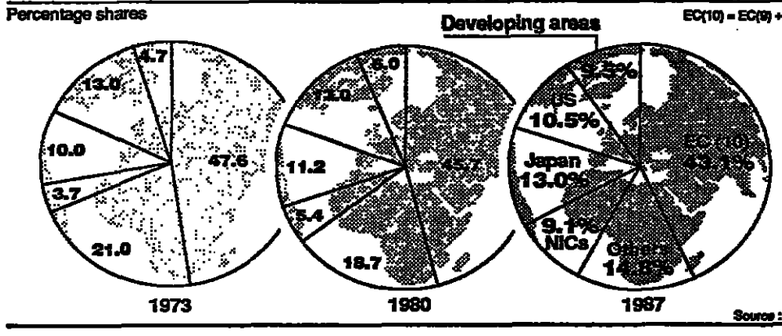
Real debt



Sources: World Bank, IMF

World manufacturing trade

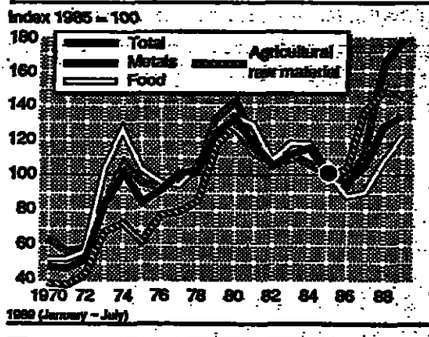
Percentage shares



Source: GATT

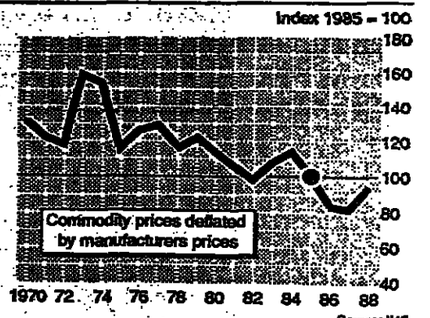
World commodity prices

Index 1985 = 100



Real commodity prices

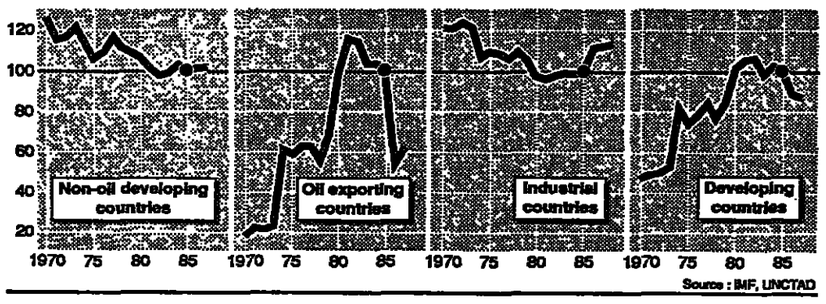
Index 1985 = 100



Source: IMF

Terms of trade

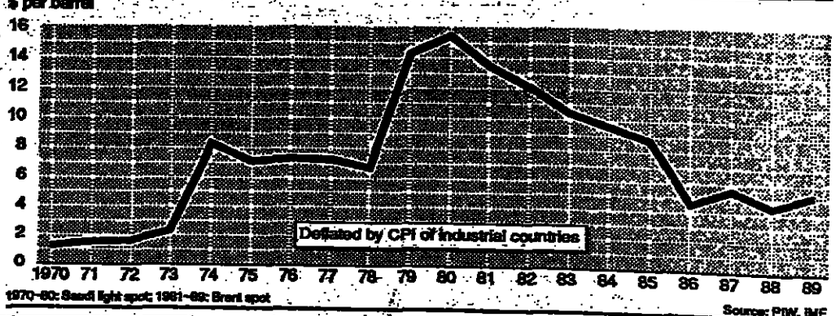
Index 1985 = 100



Source: IMF, UNCTAD

The real price of oil

$ per barrel



1970-80: Saudi light spot; 1981-89: Brent spot

Source: PIW, IMF

Simon Holberton examines changing attitudes towards public spending and state ownership

The new liberalism — and a revival of protectionism

THE RECUMBENT figure of William Ewart Gladstone, that stern 19th century benefactor of good government, was the unlikely image chosen to grace the Treasury's Christmas card

Like most images, it has its own symbolic importance (though not one obviously associated with the season of giving). The Gladstonian Trinity of public finance – retrenchment, neutrality and balance – has Mr Nigel Lawson, the Chancellor, as a fervent believer, with a growing commitment to economic liberalism and free markets.

These ideas have energised much of the economic and public policy debate in Britain and, more broadly, throughout the leading industrial democracies in the 1980s. They have had a powerful effect on the behaviour of governments toward state ownership and industrial assistance, and the regulation of labour and financial markets.

In the area of public finance, most of the members of the Organisation of Economic Co-operation and Development have attempted to rein in public expenditure and cut budget deficits. Some have been more successful than others; few would now go to their respective electorates on a platform of higher government spending based on deficit finance.

In the aggregate, members of the OECD have during the 1980s contained the growth in government spending and may have even reversed what seemed like an inevitable march towards ever-greater consumption by the state. Most have attempted to simplify the taxation of individuals and companies and in many instances rates of tax have been reduced. Here too the growth in the share of taxes to national income may have stabilised.

Of all "markets", the finance sector has been the biggest beneficiary of the new liberalism. New, virtually unregulated markets, such as futures and options, have blossomed. The rich countries have opened their borders to foreign financial institutions. Restrictions on banks' ability to lend and take deposits has been relaxed so that in 1989 the ability of individuals and companies to use the financial system is as free and uninhibited as it has ever been.

The great inflationary shock of 1979 (occasioned by the second oil price rise which occurred in that year) and the resultant recession of 1980-81, threw labour market rigidities into high relief. The inflexibility of wages is seen as one of the main causes for the substantial rise in unemployment that occurred at the beginning of the decade.

In some countries, notably the UK, the response of government has been to outlaw certain practices and make strikes more difficult to conduct. In

Rich countries have welcomed foreign financial institutions

others, such as Australia, a reduction in real wages has been delivered through agreement.

Questioning the role of government in economic affairs has been a key aspect of the 1980s. In countries where public ownership has been high, there has been a conscious policy of privatisation. Britain, Japan and France have led the move towards the sale of state-owned companies to the private sector. In Austria and Portugal, privatisation is under consideration, but in West Germany and Italy it has had little tangible impact on public policy.

All of these reforms mark a distinct shift in the behaviour of the state and have been seen as positive for the economic development of the rich countries. They have been wide-ranging, but they have not created a new order.

But in the area of international trade, the world's trading system is noticeably less free than it was 10 years ago. Non-tariff barriers to trade, which in many cases amount to no more than bureaucrats carving up markets, have grown. As Mr David Henderson, head of economics and statistics at the OECD, has noted, the mercantilist belief that exports are good but imports are bad has taken root.

The growing concern in the US and Europe that they are losing the race with the Japanese and the newly industrialising countries, predominately in south-east Asia, has spawned not only a revival of protectionism unrivalled since the 1930s but a flirtation, in the West, with industrial policy.

It is not difficult to see the attraction of industrial policy, especially in the US where many of its leading academics and commentators locate Japan's success in the close relationship between Japanese industry and agencies such as the Ministry of International Trade and Industry.

The perceived loss of many US industries' "competitive edge" – to use a phrase associated with this analysis – is fuelling the call for more government assistance to industry.

US manufacturers have seen their dominance in industry after industry lost to foreign competition. In more and more cases they are calling on government to provide for them, either through increased protection or through the use of taxpayers' money.

According to US Commerce Department estimates, US producers of semiconductors have seen their share of the US market fall from 89 per cent in 1970 to 64 per cent by 1987. In machine tools, where US producers supplied all domestic needs in 1970, American manufacturers accounted for just 40 per cent of domestic sales in 1987. A similar tale could be told of television sets and hi-fi equipment, telephone sets and machining centres.

The US Congress has responded to the so-called threat to the US semiconductor industry by sponsoring Sematech, a consortium of 14 semiconductor producers which have combined to improve manufacturing technology. The US Government this year will contribute $100m to the venture.

Congress is also under pressure to sanction government support for the development of a US high-definition colour television industry. According to reports, other industries lining up for assistance include x-ray lithography, random

European voters increasingly worry about the environment

access memory chips and new generation materials, such as ceramics.

The reforms of the 1980s have had little effect in promoting a more liberal trading system and, for all their market-relatedness, they have been slow-working in engendering confidence among government and, to a lesser extent, industrialists in free and open markets.

Also, as a new decade dawns, it is already clear in the major industrial democracies that deregulation and non-interference cannot answer all the problems facing society. The threat posed by the environmental degradation of the planet is steering governments towards a middle way between *dirigisme* and free market economics.

Failing another destabilising shock to the world economy, which like the 1979 oil shock marginalised the environmental movement, one of the major challenges facing the economic policymakers in the 1990s will be arresting the destruction of the planet.

Public opinion surveys show that the environment comes a very close second to unemployment in the list of things which worry European voters most. But checking the deterioration of the environment poses large problems for governments dedicated to minimising state interference in the free operation of markets.

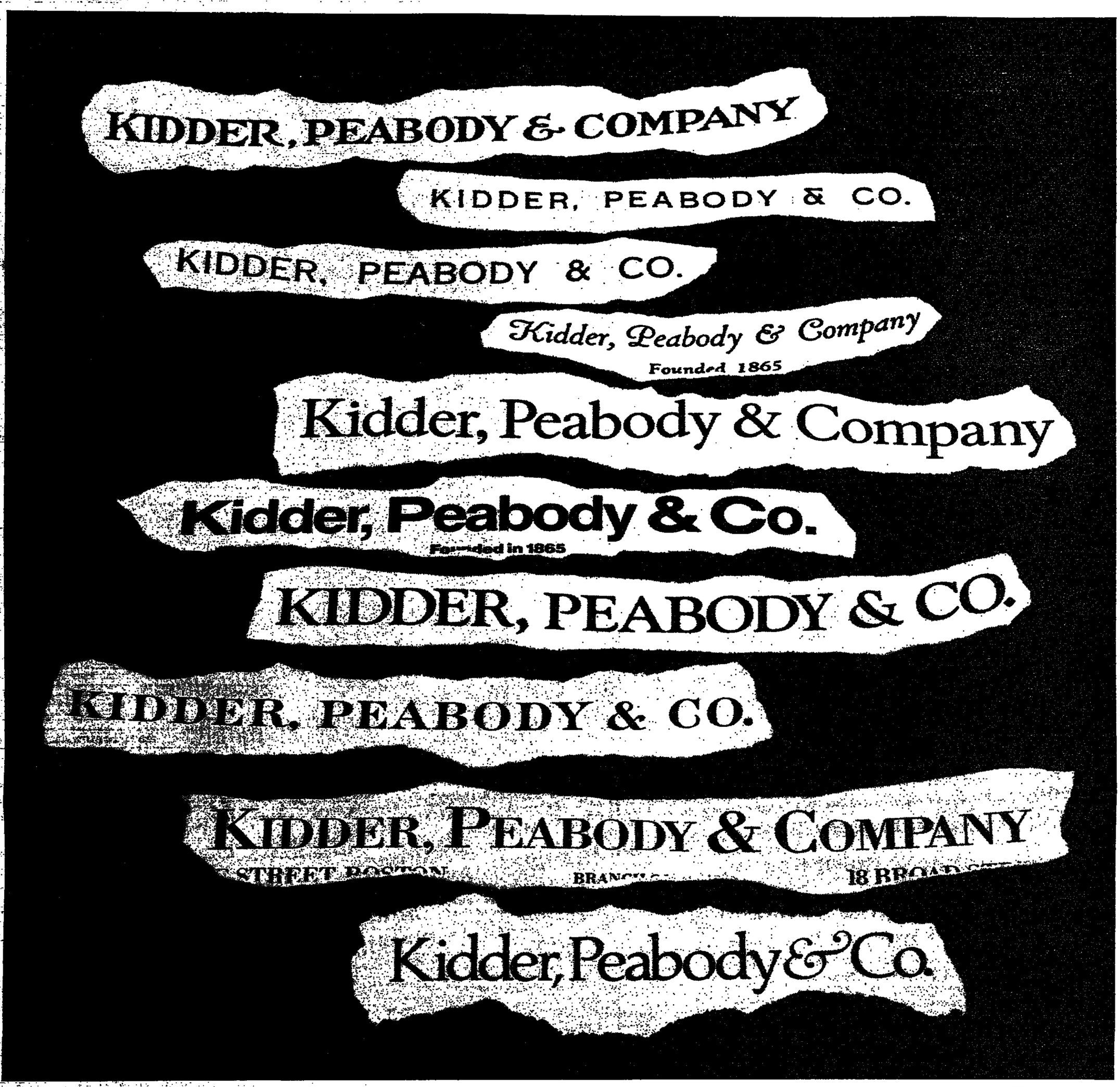
The scope of the issue was amply underlined by the heads of government of the seven leading industrialised countries at their summit meeting in Paris this July. The environment occupied a third of their communiqué.

The problems are largely international, as with acid rain in Canada and Scandinavia where the source of the pollution is outside the jurisdiction of the country affected. Where the problems are local, as in the case of the deforestation of Brazil or the destruction of wildlife in Africa, the rich countries have foundered in their attempt at a coherent response.

But where governments can deal with the problem there are signs that they are looking for market-based solutions, not outright prohibition. This so-called "economic approach" seeks to charge the polluter, or use the taxation system to discriminate in favour of certain types of product. The differential rates of tax on leaded and unleaded petrol in many countries are a case in point.

For the past 10 years the major economies of the world have sought ways of returning to non-inflationary and stable economic growth. They have pursued these policies through the application of largely market, or market-modified, means.

This market approach has had a notable lack of success so far in the area of international trade policy; it is largely untested in the area of environmental protection. Lack of progress on the former threatens to unwind many of the policy successes of the 1980s which have promoted growth and prosperity; failure in the latter may have even more serious consequences.



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THE WORLD ECONOMY 4

Anthony Harris looks at US prospects

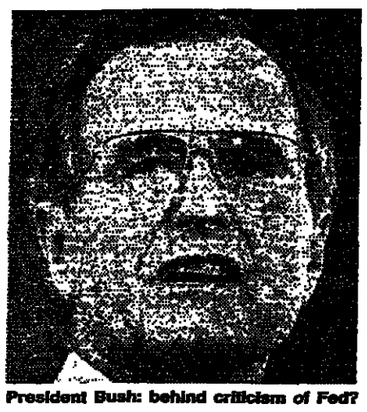
The risk of recession remains

IT IS only seven weeks since Dr Rudolf Penner, an economist of Republican leanings and a former director of the Congressional Budget Office, told the Senate Banking Committee that the US economy was "teetering on the edge of recession."

At the same hearings Mr Alan Greenspan, the chairman of the Federal Reserve Board, said that he regarded the threat of recession as greater than that of inflation, and that monetary policy had been eased on this account. In spite of this, Mr Richard Darman, the Budget director, used a television interview to accuse the Federal Open Market Committee of over-caution, and to urge it to cut rates further.

Under the normal rules, any disagreement between the Administration and the Federal Reserve is kept strictly private, and never more so than when the Fed is already moving to accommodate Administration worries.

Mr Darman's oddly-timed breach of this rule, tacitly supported by the President, seemed to be addressed to the increasingly influential presidents of the regional Federal Reserve Banks. All the same, it was most commonly read as an advance alibi: should a recession occur, threatening both the budget plans and the Administration's mid-term election hopes, the Fed would be in the dock.



President Bush: behind criticism of Fed?

Industrial production

Since this episode, official statistics seem to have made nonsense of any recession fears; but surveys of manufacturing industry have tended to underline them.

The official estimate for real growth in the second quarter has been revised up a full point to a healthy 2.7 per cent annual rate; industrial production has started to grow again, albeit quite slowly, housing and car sales have revived, and although non-farm employment growth is sharply down from the 300,000 monthly rate of 1988, this is partly because the labour force is no longer growing so quickly. Unemployment is still within a tenth of a point of a seven-year low.

All these, however, are historic or lagging indicators; and the forward view is not nearly so encouraging. The purchasing managers' index, an industrial survey which is considered reliable enough to figure in the official index of leading indicators, has fallen precipitately for four successive months; unless there is an early bounce-back, it is now signalling a recession in the economy as a whole. The survey of plant managers tells much the same story, and so do the Department of Commerce figures for order books; apart from the booming aircraft industry, with its long lead times, unfilled orders have now been falling for five months.

The forward-looking picture is not all black. Weaker demand has caused a startling turn-round in industrial input prices: these have been rising only slowly since the start of the year, and are shown in the latest purchasing survey as actually heading downwards. Export orders have remained strong, despite worries about the dollar's rise in recent months, so an improved real trade balance should make a strong contribution to growth in the second half of the year. All the same, the picture is not nearly as bright as the markets seem to have been assuming.

The main strain of weaker demand growth has so far has been taken in the real estate market, and in profit margins much more generally. Despite the revival in house sales – still far below the level of earlier years though there has been a sharp recovery since May – average prices were last reported more than 5 per cent down on 1988. What is more, this now seems to be built into the market psychology. Buyers regard asking prices as a starting point for bargaining, and an annual survey of executives, asking them to choose the most desirable cities to live in, shows a marked change.

In 1988 the executives tried to choose those places with the best chance of property appreciation; this year, they simply went for low prices. Inflation psychology in this market has simply vanished. The well-informed people who answered the questionnaire may well have been impressed not only by the buyers' market of recent months, but by a widely-publicised study by the National Bureau of Economic Research (NBER). This argued that unfavourable demography will depress the house market until at least the end of this century.

This is significant for the whole economy. In the US, as in Britain, consumer borrowing is largely supported by rising equity values in house property; it is no coincidence that the growth of consumer credit has also slowed markedly. The NBER study suggests that consumer borrowing may also be restrained for a long time to come. It also re-inforces other arguments, based on lifetime patterns of income and expenditure, to expect a strong demographic rise in personal saving over the next few years.

The main expected impact is in the car market. The sales revival in August was secured only by massive discounting, with cheap or free credit, or price cuts of 10-15 per cent. The industry has now succeeded in unloading its excessive stocks of 1989 models, but fears that these sales are largely stolen from 1990. Faced with possible market saturation and rapidly growing competition from Japanese "transplants," the US-owned makers have cut production schedules for the last quarter of 1989 to 16 per cent below their 1988 rates.

Consumer caution is discouraging news, too, for the whole retail sector. Retailers are already suffering sluggish growth and a painful squeeze on profit margins, which are now down to little more than 1 per cent on sales.

The most recent national income figures show that the profits squeeze is now becoming general, and is spreading. Some sectoral problems have been apparent for many months – for example in metals and in building materials, reflecting the downturn in motors and construction. Now the pressures are more general: the market for paper, the most widely-used of all inputs, has softened, and in the last few weeks the airlines have rolled back planned fare increases, because business travel is well below expectations.

Cautious business spending is also probably an important explanation of the sad state of the computer industry at present; but it is certainly not the only one. This is an industry which has tripped over its own rate of progress. Current desk-top and workstations have the sort of power that was available only on large mainframes a few years ago, and most users are now beginning to learn how to put it to work.

Surge in exports

This mixture of consumer restraint and sectoral problems is not in itself enough to cause an outright recession, though the fragile financial condition of many companies after the flight into debt of recent years obviously increases the risk. The continued surge in exports, still rising at an annual rate of more than 17 per cent, and the strength of spending on aircraft and industrial equipment – justified by efficiency returns as much as by any hope of market growth – could stabilise manufacturing; and this is in any case only a quarter of the whole economy.

Farming has recovered from the drought; and services continue to grow. Service growth is not all gain – the insurance industry, for example, is spending more and more on attempts to check the excessive rise in medical costs. All the same, it does provide a stable support for incomes and employment. Since the second quarter national income revision, Dr Penner would no longer argue that the economy is close to the edge; but he would probably support Mr Greenspan's view that recession remains a greater risk than resurgent inflation. It would not be prudent for anyone else to dismiss that risk.

Profile: Alan Greenspan

Fine-tuning on the Fed trapeze

THE MOST frequently used, and therefore most influential, description of Mr Alan Greenspan's two-year tenure as chairman of the US Federal Reserve is that he has been engaged in a balancing act.

Whether seen as juggler or high-wire performer, he has been presented as carefully balancing the need to hold down inflation with sustaining economic growth. The verdict so far from both Wall Street and Washington has been generally favourable. He has not lost his balance.

Yet the more revealing part of this image is its implication of close involvement, of having to watch everything carefully to avoid an upset. Mr Greenspan is no detached strategist, setting goals for the growth of the money supply a year or two ahead and letting the markets do the rest.

Reflecting his more than 30 years as a highly successful economic forecaster and consultant, he is very much a hands-on operator – watching the screen in his office to assess market movements and forming his own view on the economy from the basic data.

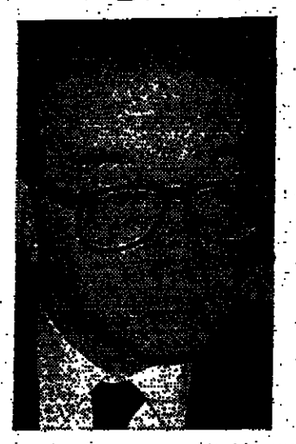
Listening to one of his regular testimonies to Congress is like being part of a seminar on the economy. Open-minded and undoctrinaire, Mr Greenspan discusses what particular indicators such as delivery delays, order backlogs and various earnings data show about the level of activity and the extent of inflationary pressures.

Within the Federal Reserve his desire to find out what is going on has been reflected in a relaxed and informal style of operation, seeking and welcoming the views of junior staff. This is in contrast with the more hierarchical approach of Mr Paul Volcker, his predecessor for eight years.

The Greenspan era has in part seen a revival of fine-tuning – not in the Keynesian sense of altering levels of government spending and taxation in relation to reported economic movements, but rather a constant re-assessment of the latest data to see whether the monetary stance is correct in respect of the objective of non-inflationary growth.

After all, the fiscal side of the picture is the responsibility of the Administration and of Congress; Mr Greenspan has been impeccably conservative in repeatedly urging reductions in the budget deficit, preferably through cuts in expenditure rather than higher taxes.

Since he was appointed in August 1987, Mr Greenspan has



Greenspan: a balancing act

shown considerable sensitivity about changes in the economy. After the October 1987 stock market crash, he moved quickly to offer reassurance that the Fed would provide any necessary liquidity to prevent collapses in the system.

Similarly, the Fed reacted firmly in response to fear of rising inflation during 1988, even raising interest rates just before the Republican convention in August that year. However, after the election of President Bush in November and especially following his inauguration, tensions began to develop over whether the Fed had tightened too much.

Mr Greenspan has had two other factors in his balancing act – his own fellow governors and regional bank presidents on the policymaking Federal Open Market Committee (FOMC) on the one hand and the Administration on the other. By temperament a consensus builder, Mr Greenspan has preferred to win general acceptance for a course of action even if it means delay.

The FOMC has been divided over underlying policy priorities for much of Mr Greenspan's time. Many of the regional bank presidents have favoured a tough line on inflation, even if it means higher interest rates and a weaker economy.

By contrast, many of the Washington-based governors have been more concerned with sustaining economic growth. Governor Wayne Angell has argued that "the interesting thing about the politics of monetary policy is that you tend to have perennial bulls and perennial bears – but, in terms of making policy, the middle group decides."

In practice, of course, there has generally been a spectrum of views and Mr Greenspan has sought to ensure overwhelming support from all groups before policy changes. This occurred in late May and early June when, in face of growing evidence of economic slowdown, there was stalemate after two discussions even though Mr Greenspan had sufficient votes to win.

It required further economic statistics pointing to a slackening in activity for him to persuade the regional presidents to agree to relax policy.

Similarly, while there have been disagreements on timing and emphasis with the administration, Mr Greenspan has sought to play down such disputes. He has refused to respond to complaints by Administration members that the Fed is being too cautious and thus risking a recession.

In general, these have been phrased in terms of "it would be wrong if this happened but I am sure it won't," though in mid-August Mr Richard Darman, the budget director, was more blunt in criticising the Fed for being too obsessed with fighting inflation.

Mr Greenspan has avoided such fights, publicly anyway, partly because of his strong Republican credentials. Since January he has kept in close touch not only with President Bush but also, in particular, with Mr Nicholas Brady, the Treasury Secretary (with whom he breakfasts weekly), and with Mr Michael Boskin, the current chairman of the Council of Economic Advisers.

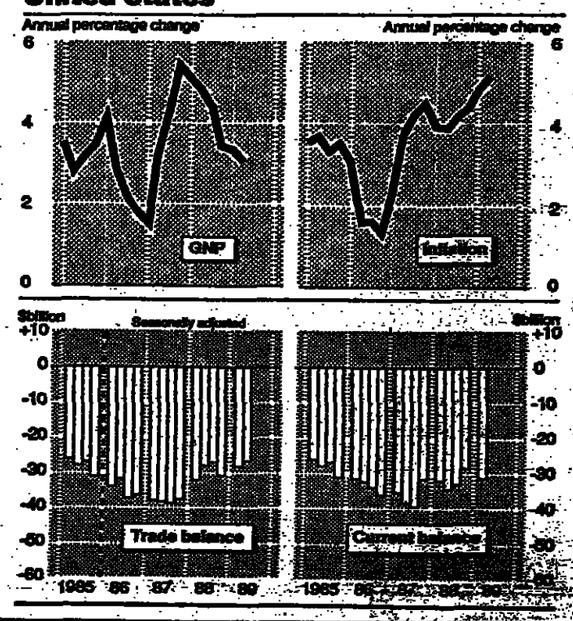
However, this relationship now faces its critical test. The Fed believes a period of slow growth – probably around 1.5 per cent at best next year – is both likely and desirable to ensure that inflation remains under control.

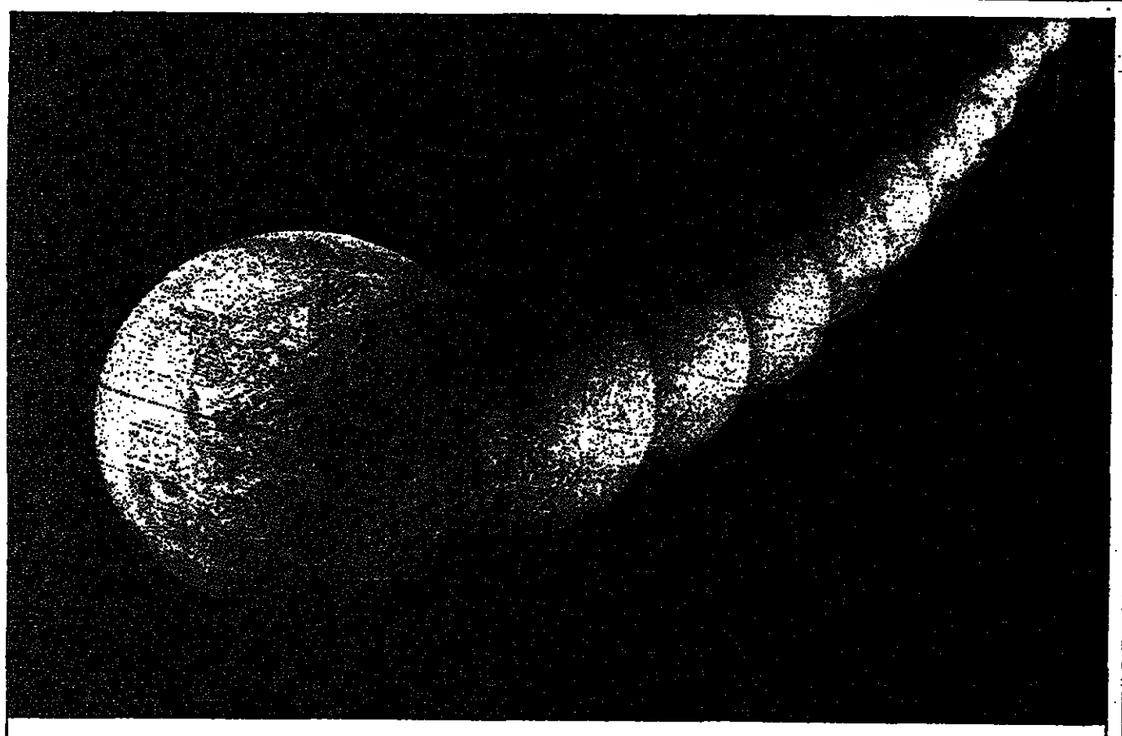
This would be the much-heralded soft-landing, permitting, continued growth without a resurgence of inflation, though some critics agree with the regional bank presidents that Mr Greenspan has been prepared to tolerate too high a level of inflation.

But not only does the Administration want somewhat faster growth, partly to help reduce the budget deficit, but it also fears that the Fed's actions in 1988 and early 1989 in tightening monetary policy may result in even slower growth, and possibly even a recession, despite the signs of stronger activity in recent weeks.

This balancing act will crucially determine Mr Greenspan's reputation.

Peter Riddell





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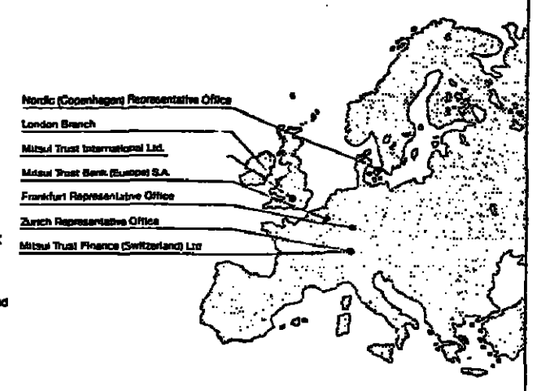

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GEORGIA
The International State

The economy could expand by another five per cent this year

A golden age for Japan

THE JAPANESE economy, which has provided much of the impetus for world economic growth in the 1980s, looks set for at least another year of expansion.

Although the economic locomotive is showing some signs of strain as the current business cycle nears the end of its third year, there is also plenty of evidence that, barring unforeseen shocks, Japan has enough strength left in reserve to overcome the likely domestic difficulties, of which the most important is the biggest labour shortage for 15 years.

There are, however, two serious imponderables. The first is the country's political crisis, which has so far had little direct impact on the economy but which might yet effect it in significant ways. Mr Naoya Takebe, an economist at the Industrial Bank of Japan, says the risk is that the crisis might undermine business confidence – but it hasn't yet and it's hard to see exactly how this would happen.

The second imponderable is the possibility of an external shock, particularly the risk of an unexpectedly sharp recession in the US. The current economic expansion is already the second longest since the Second World War, exceeded only by a five-year-long period of sustained growth in the late 1960s.

The late 1980s have turned into an economic golden age for Japan, in which the country – after learning to cope with the disadvantages of a sudden rise in the value of its currency – is revelling in the benefits. After growing at 5.1 per cent in the financial year to last March, the economy is showing only slight signs of slowing down.

Private economists forecast that the economy will expand by another 5 per cent in the current year, well above the government's official target of 4 per cent. The Industrial Bank of Japan, for example, forecasts 5.3 per cent.

In the following year some slow down is expected mainly because slower growth in the US economy is forecast, but few economists believe the rate will fall much below 4 per cent, as long as there are no nasty surprises. Private consumption has slowed slightly, although the pattern is unclear because of the introduction in April of a consumption tax which made some people either accelerate or postpone purchases.

Money dealers at Tokyo's foreign exchange market.

Car sales have been particularly strong, so have sports goods; but household appliances and consumer electronics, especially video recorders have been relatively weak. However, capital spending by industry remains very high: the Long Term Credit Bank expects an increase of 12.9 per cent this financial year, following a 15 per cent hike in 1988.

The bank says it has recently revised its forecast upward by the highest margin this decade – "an indication that the will to invest is very strong in Japanese companies." Some of the investment is in improving the output of existing products. The carmakers are installing so much new capacity, for example, that the Ministry of Trade and Industry has urged them to slow down. Funds are pouring into factory and office automation.

But the proportion of investment for developing and making new products has never been higher – especially in the electronics industry, which has taken over from vehicles, as the engine of the manufacturing economy. For example, virtually every leading electronics combine is now establishing production lines for 4M-bit D-Ram chips – the new generation of memory devices, which will replace 1M-bit D-Rams, which were themselves launched only in late 1987.

Mr Ken Courtis, senior economist at DG CApital Markets, a subsidiary of Deutsche Bank, says Japanese companies were on the verge of another industrial revolution – one which would see the focus of industrial innovation moving increasingly from Western countries to Japan.

The main domestic economic constraint is the risk of inflation. A Labour Ministry survey found that Japan was short of 2.06m workers. Some 60 per cent of 15,000 businesses had been forced to change their plans because they lacked workers.

In construction, there are frequent reports of companies poaching workers directly off rivals' sites. These pressures have been exacerbated by the recent fall in the yen coupled to the rise in oil prices, plus, at home, the introduction of the consumption tax. The latest figures for both wholesale and consumer prices show year-on-year increases of 3 per cent, relatively high in an economy which is used to stable prices.

To ward off the risk of inflation, the Bank of Japan in May lifted the Official Discount Rate for the first time since 1980. But international considerations put tight limits on the bank's freedom of manoeuvre. Any increase in Japanese rates puts pressure on (much higher) US rates – and an increase in American rates might turn the soft-landing the authorities are trying to engineer into a sharp recession.

However, the central bank's main current concern is the strength of the US dollar. In the Japanese view, the dollar has been buoyed by a flow of capital into the US which will delay efforts to correct the gross imbalance on trade between the US and Japan.

The Japanese trade surplus, like the US deficit, has been falling in recent months. But the dollar's weakness is expected to provoke a sharp increase in Japanese exports by the end of this year – especially as overseas demand for Japanese goods, particularly industrial and office electronics and machine tools, remains very strong.

As a result, any decline in the trade surplus from $95bn recorded in the last financial year will be modest. Moreover, a decline in the first half of the year is likely to be followed by increases in the second half.

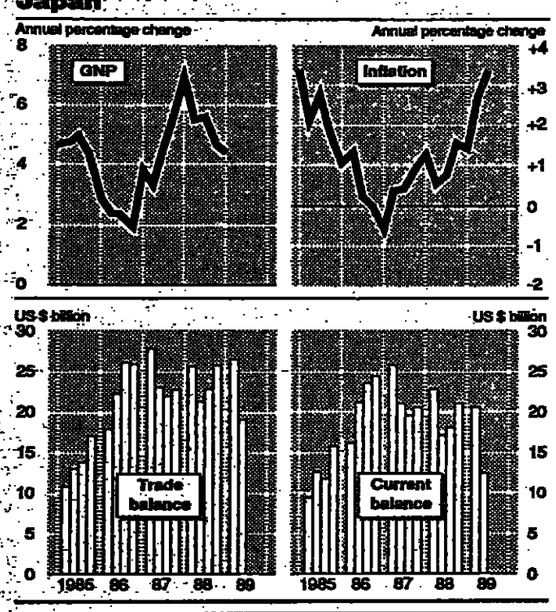
At the same time, the rate of import growth is slowing somewhat. So, after two financial years in which the contribution of net external demand to economic growth has been negative, the position could be reversed this year.

In other words, net exports will once again be contributing to growth. One danger is that this export surge will eventually hit the currency markets and force the dollar down drastically. It will also exacerbate trade disputes. And, if the US and other world economies slow down faster than expected, the surge in exports will die, to the detriment of the Japanese economy.

One remedy will be for the Japanese Government then to stimulate the domestic economy with a package of public works programmes. This was extremely effective in starting the current expansion in the first place, and could work again, as long as inflationary pressures ease. They could well do, as industrial investment is unlikely to sustain its current record-breaking growth rate for a *third* year.

Mr Ron Napier, an economist at Salomon Brothers, the US investment bank, says in a report: "Looking forward, it appears that business fixed investment will likely fade as a source of growth next year and that public works will return to take up some of the slack."

Stefan Wagstyl



PROFILE: MAKOTO UTSUMI
Japan's Vice Minister of International Affairs

An irrepressible man of ideas

JAPANESE Government officials have many qualities, but they are not, on the whole, renowned for their inventiveness.

Mr Makoto Utsumi, 55, recently appointed Vice Minister for International Affairs, is an exception to that pattern. He has long been known within the ministry as an irrepressible fountain of ideas, so much so that a leading politician once gave him the nickname of "manpachi," jokingly implying that only eight of every 10,000 ideas he came up with proved successful.

Mr Utsumi's creativity has long been known in Japan but it recently received international recognition as well when he was declared policymaker of the year by a US financial magazine. The award was mainly a tribute to Mr Utsumi's role in the development of the Brady plan for dealing with the debt burdens of some of the most indebted developing countries.

There was a certain rough justice in this. In Japan, Mr Utsumi is credited with having designed the Miyazawa plan for dealing with the debt problem last year when he was director-general of MoF's international finance bureau. The US Government jeered at that plan when it was presented at the International Monetary Fund annual meeting in Berlin last autumn, but then borrowed heavily from it in putting together the Brady plan. Mr Utsumi, to his credit, was not too proud to put his support fully behind the Brady plan, and it ultimately had Japan's enthusiastic endorsement.

On the surface, Mr Utsumi is the identikit MoF official. A graduate in law from the University of Tokyo, he has spent his entire career in the ministry, shuffling in the early years through obscure positions at regional tax bureau, local tax bureau and currency bureau. Things began to change when he was posted to Japan's embassy in Brussels in 1961. He became enchanted with Europe, managed to stretch his two-year tour to four and learned to speak French with considerable flair.

Makoto Utsumi: a tough boss

Returning to Tokyo, he re-entered MoF's tax bureau and began to emerge as a tax expert. In the early 1970s, he also acquired useful political savvy, working in the Prime Minister's office at a time when Mr Noboru Takeshita was chief cabinet secretary. More than a decade later, his expertise and that contact became useful when Mr Takeshita was Prime Minister and MoF was trying to pass its controversial tax reform.

However, Mr Utsumi's political sense let him down in 1979 when he proposed introducing a green card registration for tax-exempt savings accounts with a view to wiping out widespread abuse of the system. The plan caused a public uproar and had to be scrapped, and Mr Utsumi considered resigning.

He had a second stint abroad from 1983 to 1985 as minister in the US embassy in Washington, where he was involved in negotiations leading to the Plaza Agreement to revalue the yen in 1985 and established good relations with US financial officials.

Fittingly, he returned to become director-general of the international finance bureau, a post that brings with it the responsibility for managing Japan's foreign exchange policy. In the early part of his tenure, the exchange markets were often volatile and he tried a number of tactics to make them more stable.

One morning in May 1987, when the dollar was showing unusual weakness, he resorted to the unprecedented step of summoning the heads of all the big Japanese securities companies, banks and investment trust companies to his spacious office, asked that they refrain from speculative trading in foreign exchange markets and demanded daily reports henceforth on their transactions. He then called in successively the Japanese financial press and foreign financial correspondents to tell them what he had done.

Critics said at the time it was a flamboyant but futile gesture because the institutions could simply move to other markets to carry out their speculative transactions.

A few months later, Mr Utsumi lashed out publicly at Mr Jacques Delors, the European Commission president, for saying the US was prepared to see the dollar sink further. "It is a pity that Delors and some former US government officials who are no longer participants in major industrialised nations' currency discussions have misguided foreign exchange markets," he said.

In the end, following various statements and agreements by top finance officials of the Group of Seven leading industrialised countries, stability was restored, and Mr Utsumi must get some of the credit.

He is known in the MoF as a tough boss, imposing his ideas by force of personality, but he is respected for his analytical ability. In his spare time, he does not join the squads of Japanese businessmen and officials on the golf course. Rather, he jumps in his US-made all-terrain vehicle and then goes hiking.

Ian Rodger

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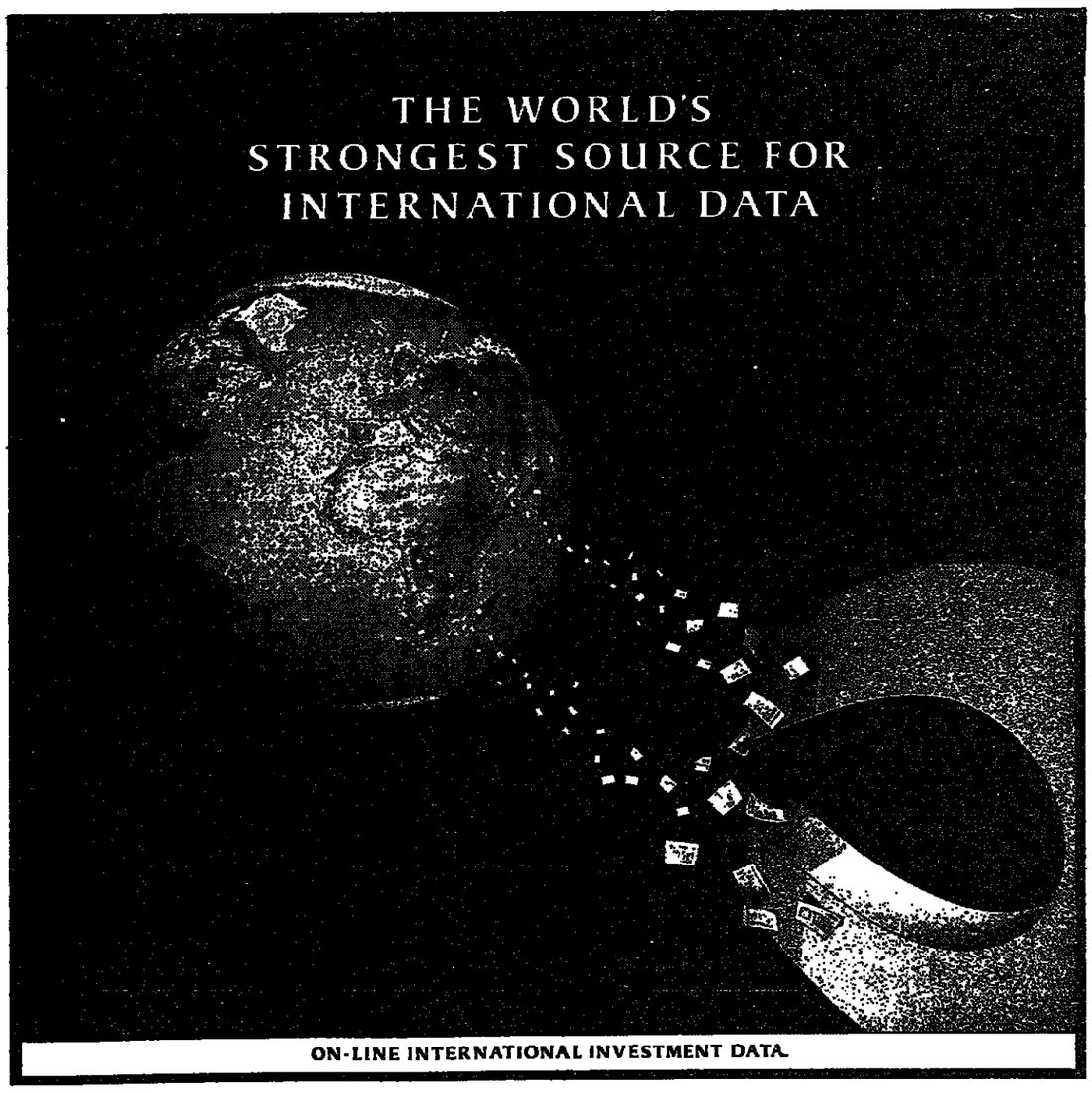

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European economic and monetary union

Single market progress brings long-standing goal nearer

THE 12 member-states of the European Community have embarked on a further push towards economic and monetary union (EMU). Despite hesitations on the part of several countries and downright opposition by Britain over the later stages of such a union, it is agreed by all that at least a first stage move to greater monetary and economic co-operation will start by July 1 next year.

On the face of it, it is rather surprising that a majority of states should feel the need for change *now* – so long after the Second World War that was the initial impulse to European unity, at a time when the Common Market at last seems to be working as it was originally intended, and when the West European economy is experiencing its longest boom since the 1960s.

There are, of course, many reasons. Some of them are almost accidental. The European Commission happens to have at its head Jacques Delors, a former French finance minister whose first love is monetary policy. Growing restiveness on the part of France and Italy for monetary change might not have led to anything, had they not had an ally in Hans-Dietrich Genscher, the pro-federalist German foreign minister whose desire for Germany to preside over a smooth EC summit in Hanover in June 1988 led to the creation of the Delors study on steps to EMU.

Jacques Delors: his first love is monetary policy

But the most fundamental factor is the Euro-euphoria stemming from the astonishing progress so far of the Community's barrier-breaking single market programme. Despite problems over tax harmonisation, side-disputes over accompanying social policies and the big question of whether EC decisions will really be put into practice in all 12 countries, the single market plan has got far further than anyone could have dreamt when it was conceived 4½ years ago.

The EMU issues have much more sensitive politically. But success has a way of breeding success, or at least a feeling that it might now be possible to pay more than lip-service to the long-standing Community goal of EMU.

This feeling is in large part related to the buoyancy of the European economy, which looked briefly like being torpedoed by the October 1987 stock market crash but has bobbed up strongly thereafter *(see table, below)*. Real growth in Community gross domestic product rose from an annual average 1.6 per cent in 1982-4, to 2.6 per cent in 1985-87 and to an estimated 3.2 per cent in 1988-90. The Commission in Brussels seeks to give EC policies the credit for this happy development, which is of course due also to the current "soft landing" adjustment of the US economy to lower deficits, to third world countries struggling on to maintain imports despite their debt servicing, and to a slight opening of Japan to imports.

But the general strength of European growth is also due to the deregulation moves in several EC members – Britain most notably but also countries like France – which have been reinforced by deregulatory and pro-competition policies at the EC level. In addition, investment in new capital plant has been booming as businessmen have been gearing up to an expanded EC market beyond 1992.

The paradox, however, is that just as Europe's politicians are plotting at least a first stage move towards EMU, the economic convergence of recent years between their economies is beginning to disappear.

The most notable differences now appear in the external positions of the Twelve. Those with the most serious current account deficits are the UK, Portugal, Greece (all of which happen to remain outside the European Monetary System) and Spain which has only recently joined the EMS.

The other eight EC states show a substantial surplus as a whole, but this is largely due to the very large German current account surplus which amounted to 4.1 per cent of its GDP in 1988, and looks set to grow this year and next. Mr Karl Otto Pöhl, the Bundesbank president, recently voiced the fear of many when he said the piling German trade surpluses should logically lead to a revaluation of the D-mark, but that everyone wanted to avoid an EMS realignment for political reasons.

Inflation has generally risen in the Community since 1988, but at different paces between three groups of countries, roughly according to their degree of adherence to EMS disciplines. That is to say, Germany, France, Denmark, Ireland and the Benelux countries, which all keep their currencies within the 2.25 per cent fluctuation margin in the EMS, are seeing an increase in their rates of price rises, but only probably to around 3 per cent this year.

A second group of countries with inflation about double that of the first group is comprised of Italy, whose lira moves within a 6 per cent band in the EMS, Spain, the newest EMS member, and Britain, which remains outside the EMS. Greece and Portugal trail the pack with double-digit inflation. This pulling further apart of national inflation rates is hardly conducive to all EC states joining the EMS exchange rate mechanism during stage one of the Delors plan, due to come into effect by next July.

A third area of divergence occurs in the budgetary field. Britain, Denmark and Luxembourg are running budget surpluses: net public borrowing in Germany, France and Spain is below the Community average, and causing little concern; but budget deficits remain high or very high in the other six EC states.

Closer co-ordination of economic policies would therefore seem to make sense in these circumstances. This is what EC finance ministers all endorsed at their mid-September meeting in Antibes when they agreed on the need to revise an outdated 1974 decision on economic convergence.

Whether they are ready to go as far as the Commission would like is, however, another matter. The Commission is keen for Community countries to maintain a robust growth strategy, so as to minimise social tensions and job losses arising from imports and, more important, from more cut-throat competition in the post-1992 single market. Second, Brussels would like to see EC finance ministers start practising the fiscal and budgetary co-ordination prescribed by the Delors report for later stages of Emu. But the degree to which an eventual single currency would require the Twelve to run identical fiscal policies, and to accept binding limits on their budgetary deficits is currently hotly debated.

Nevertheless, the Commission is already pushing some general guidelines which it hopes finance ministers will steer by, once they have revamped (probably in November) their 1974 economic convergence commitment. These guidelines would ensure that governments are subject to the same market discipline as private borrowers, that deficits should be covered by tax revenue and not by getting national central banks to print more money, and that tax rates should be lowered, tax bases widened and tax assessment simplified.

With or without progress to EMU, the Twelve must hope to continue to generate a substantial amount of growth from trade within the Community itself. Indeed, if the US trade deficit is to diminish, the EC can hardly hope for much further increase in its share of general world trade. High technology is increasingly become a Community concern, with large amounts of money being funnelled into research and development at an EC level.

The worries to which R & D programmes respond are detailed in a recent Commission study. This showed that with the exception of pharmaceuticals and aerospace (in the latter sector the Commission does not bother to enforce its anti-trust and anti-subsidy rules), Community competitiveness has declined in hi-tech products.

David Buchan

Economic Improvement in the European Community through the 1980s

	1982-1984	1985-1987	1988-1990*
Real GDP (annual avererage % change	+1.6	+2.6	+3.2
Investment (annual average % change)	−0.1	+3.6	+6.5
Employment:			
- annual average % change	−0.5	+0.8	+1.2
- cumulative change over the three-year period (thousands)	−1,845	+3,138	+4,700
Inflation (annual average %)	+8.7	+4.4	+4.3
Intra-Community exports (annual average volume % change)	+1.0	+6.1	+7.5

*Forecast for 1989 and 1990: in the Community, economic growth is continuing strongly, says the European Commission. Real output should expand this year (3¼ per cent) and 1990 (3 per cent) at rates higher than in any of the last nine years, except 1988. Employment is increasing, with almost 2m net additional new jobs created in 1988, and another 2.5m to 3m added during 1989-90. *Source: European Commission.*

Britain's Chancellor Lawson and Prime Minister Thatcher: not sharing in the Euro-euphoria

EASTERN EUROPE

Signposts missing on the road to reform

REFORM IN Eastern Europe is not a phenomenon of the mid-1980s – which is part of the present reform's problem.

Various sorts of re-arrangements of the economic – and even, to a degree, political – furnitures have been tried in nearly all the Eastern European states within their Communist period – beginning from the mid-1950s, after the death of Joseph Stalin.

Hungary, Poland, Czechoslovakia and the Soviet Union itself all tried, in various ways, to loosen the grip of a central bureaucracy and an omnipotent party upon the economic systems.

In the case of Hungary, it "worked" within its own terms until the 1980s; in the case of Czechoslovakia, the economic and political reforms of the later 1960s under the leadership of Alexander Dubcek went so far, so fast that they precipitated a Soviet invasion; in Poland political and economic restructuring from the 1950s produced an economy hugely overinvested in heavy industry.

In the Soviet Union, many of the Khrushchev reforms – as for example the abolition of the central economic ministries – were simply reversed by Brezhnev in the mid-1960s, though there was no return to the Stalinist "production through terror" – rather, a creation of production through bureaucratic fiat.

Yugoslavia is a fascinating but for our purposes separate case – since its much less centralised policies, its reliance on an ostensible system of workers' control and its relative openness to the West makes it a cross between a socialist and a capitalist system which is "sui generis".

The ultimate failure of all of these efforts became clearly and generally visible to the West only in the 1980s (it is hard to remember that, in the 1960s, political leaders in the West were fearful of the Communist states surpassing their own economic and scientific achievements).

But they became visible in the states themselves much earlier: visible most of all, of course, to the mass of citizens, especially to those who had some knowledge of Western conditions and could compare relative material standards.

Reforms were generally made – especially in Poland – in response to popular explosions: they were, however, closely constrained by ideology and resources, more importantly the former. In the 1980s, in the Soviet Union, it became obvious to an influential group of relatively young party leaders and analysts – the group from which Gorbachev emerged – that further such explosions were inevitable unless anticipatory action were taken. Hence perestroika, or "restructuring".

In what does it consist? Its stated aim is to breathe new life into socialism: literally so, for the Soviet reformers (and other East Europeans, following them) believe that the Soviet economy was put on the wrong track in the late 1920s, once Stalin dropped the New Economic Policy and made a hellish dash for industrialisation which took the lives of millions of peasants.

True socialism, they say, depends on a devolution of power to those who do the work – the people employed on the land, in the enterprises and offices. They must be freed from stifling state orders of all kinds, and allowed to show independence and initiative. Enterprises must thus become self-financing; foreign trade opened up to all who wish to engage in it; joint ventures with foreign companies encouraged.

With this has gone what is known in the Soviet Union as "glasnost", or (roughly) openness: under that banner has been placed a range of movements, some from above but increasingly from below, which seek to democratise society and allow greater freedom of expression: in part this has different roots and responds to different pressures – but it is also the case that a loosening of the economic bonds has meant a necessary easing of the ideological and organisational ones, too.

It has been a feature of both perestroika and glasnost that the satellite states, formerly closely tied to the Soviet Union, have been given, under Mikhail Gorbachev, much greater freedom than they had enjoyed since the war. The pace of reform has thus differed greatly: very rapid indeed in Poland and Hungary, more halting in the Soviet Union, just beginning (and strictly limited to the economic sphere) in Czechoslovakia and Bulgaria.

How has it gone? It is just about time to make some assessments – after over four years of Gorbachev rule in the Soviet Union, and over a year of explicitly reform-oriented governments in Poland and Hungary.

First, each national experience is very different. In the case of Poland, the economic crisis co-incided and inter-acted with a political crisis which had been suppressed, but exacerbated, by martial law in the 1980s: it has helped force the pace of change, so that now a Solidarity-led government, which will contain a minority of Communists, will commit itself to a new series of market reforms, hoping that these are better supported both at home and abroad than those of the Government of Mieczyslaw Rakowski only a year ago.

In Hungary, the party appears more in control of the reform process – but perhaps only because it has not yet been forced to submit itself to an election. Both farming and industrial sectors show more efficiency than their

Enterprises, when told to be more profitable, have simply raised prices

Polish equivalents – though the per capita foreign debt is higher – and there is greater evidence of interest from Western companies.

However, the Hungarian Socialist Workers Party's aim to move to open elections in which it would expect to win a substantial share of the vote may be damaged both by the good showing of the Democratic Forum opposition party at by-elections, and by the looming split in the HSWP between the reformists and the harder liners.

In the Soviet Union, where most interest must be focused, the perestroika has been self-confessedly mired in a deep and glutinous bog. A series of disasters, of which the earthquake in Armenia last December was the most appalling, has siphoned off resources: but more importantly, the legislative reforms aimed at freeing the industrial and commercial environment have not evoked a response from below on anything like the scale required.

Enterprises, when told to be profitable, have simply raised prices, justifying the rises by saying that the goods are better quality. Managers have conceded big pay demands to buy off trouble – as the state itself did, faced with striking miners this summer. Co-operatives, advertised as the element which would generate competitive pressures on the state monoliths, have confined themselves mainly to trading or producing goods in short supply on which a quick and large profit could be made.

Efforts to raise quality have had only temporary effect. The reorganisation of the crucial agricultural sector was itself reorganised three years after the first reorganisation. Strikes are now endemic.

Common to all of these economies is that they have embarked on a road which no-one has travelled before: the attempt to liberalise, or marketise, a command socialist economy.

The early fervour has dissipated: increasingly, the leaders fall back on exhortation, calls to tighten the belt and threats. It is likely that economic reform is irreversible, but that is not the same as saying it will succeed.

John Lloyd

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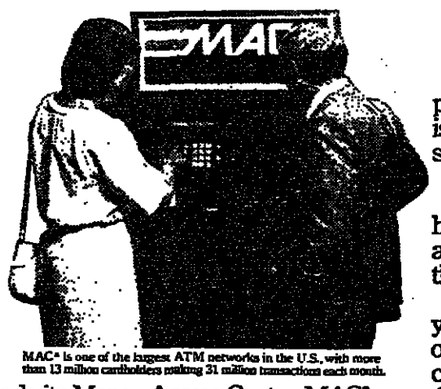

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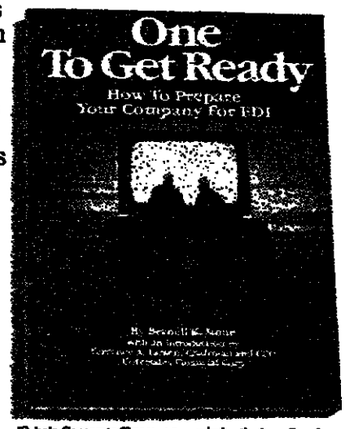

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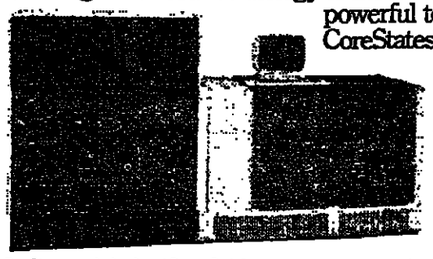

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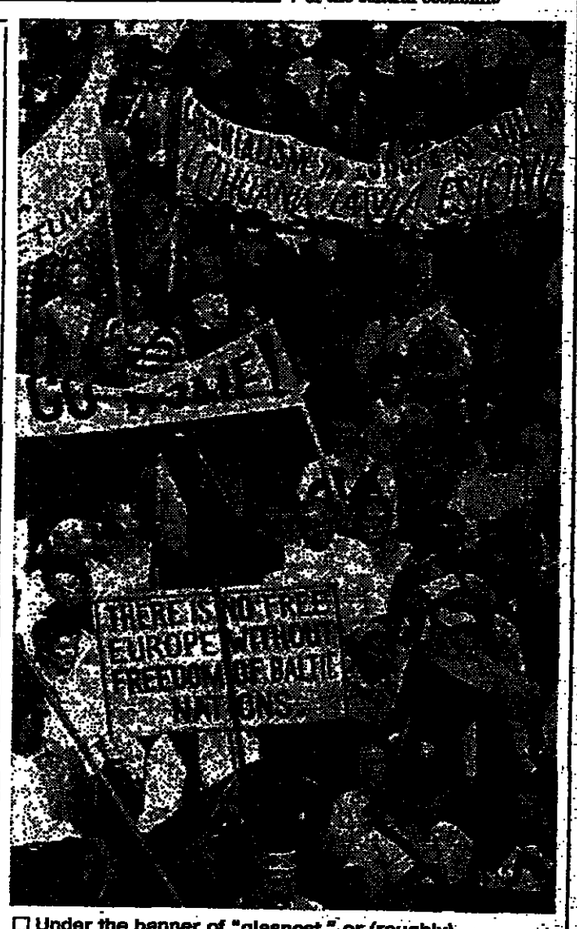


☐ Under the banner of "glasnost," or (roughly) "openness," in the Soviet Union, a range of movements are emerging, some from above but increasingly from below, which seek to democratise society and allow greater freedom of expression: in part, this has different roots and responds to different pressures.

☐ Pictured above are demonstrators in the streets of Vilnius, in the Soviet Union, protesting against the 50-year-old Nazi-Soviet pact which robbed the Baltic States of their independence.

☐ Below: Soviet leader Mikhail Gorbachev, left, with Mrs Raisa Gorbachev, centre, greeting French President Francois Mitterrand during a three-day visit to France, in July this year.

WEST GERMANY

Robust performance again confounds the sceptics

FOR THE second year in succession, the performance of the West German economy has confounded the sceptics.

Only just over 12 months ago, the Organisation for Economic Co-operation and Development was warning that the Federal Republic faced a "vicious circle" of low growth, investment and job creation. Now, as a result of the boost to exports from the world-wide investment boom, as well as unsuspected buoyancy in domestic economy, West Germany this year expects a rise in gross national product of more than 4 per cent, the highest since the 1970s.

This is double the medium-term growth rate which most consensus forecasters were predicting in 1987-88, and follows much better-than-expected growth of 3.4 per cent last year. The economy appears in good shape to absorb a higher than expected inflow of refugees from East Germany and the rest of eastern European who now seem likely to add around 1m people – or 1.6 per cent – to the population between 1988 and 1990.

Indeed, there have even been some optimistic assertions that the inflow of young, mobile and motivated workers from the East could help curb some of the notorious rigidities in the economy. Even though the newcomers will also be a drain on social spending, they will certainly both inject new demand into the economy and could also represent a modest supply-side boost.

Both gross national product and domestic demand now lie around 20 per cent higher than at the last cyclical trough in the final quarter of 1982.

With the Government putting forward a forecast of 3 per cent expansion for the general election year of 1990, the continuing upswing represents a piece of highly welcome news for Chancellor Helmut Kohl.

The refugees will inject new demand into the economy

Throughout the 1980s, West Germany maintained its place as the largest of the European economies, and strode to the top of the table in the world exporting league. But it has been a long way from representing a power-house. The astonishing surge in activity this year seems likely to mark the first year since 1979 (and only the third time since 1970) that the Federal Republic will grow at above the average of the OECD economies.

Unemployment is still a black spot, even though a large amount of the total seems structural in origin. The jobless figures, for seasonal reasons, however fell below 2m this summer, for the first time in 1982, and an average level of less than 2m for 1990 now seems possible.

The Bundesbank has had cause to tighten monetary policy this year to guard against the danger of overheating. Inflation has been boosted to around 3 per cent by an increase in indirect taxation which took effect in January. But this will probably be only a temporary blip; the rise in consumer prices looks likely to fall back to less than 3 per cent next year.

The consequences of next year's key wage round in the metal industry remain a cause for concern at the Bundesbank. But the chances of a genuine wage-price spiral – which would force the central bank to intervene with recovery-crushing interest rate hikes – seem fairly remote.

On the external front, West Germany has benefited for an extraordinary correlation of circumstances. The D-Mark has been unaccustomedly weak in real terms, both against the dollar and against European currencies.

The Bundesbank has made no secret during the past year of its wish for a D-Mark revaluation in the European Monetary System, where the last realignment came in January 1987. Because of low world commodity prices, the disadvantage in terms of imported inflation has been quite low. On the other hand, German exporters have reaped the full benefit of a competitively priced currency at a time of high international demand for West German capital goods.

Exports rose 18 per cent in the first seven months of the year, increasing the trade surplus by 15 per cent to DM81bn.

The increase in the surplus has been concentrated on trade with European countries, where the 1992 single market programme seems to have stimulated extra demand.

The Bundesbank is forecasting that the current account surplus will rise to DM100bn this year from DM85bn last year. So far, however, growing world current account imbalances between the US, Germany and Japan have been financed by autonomous capital movements – and the Federal Republic has not faced a repeat of the currency squalls which sent jitters through the export community in 1987.

Domestic demand in 1989 will benefit from DM25bn of tax cuts coming into effect in the New Year as part of the Government's long-planned tax reform programme. In a move which looks suspiciously like electioneering, Mr Theo Waigel, the populist new Finance Minister, has added to some of the tax reductions already planned by his predecessor, Mr Gerhard Stoltenberg.

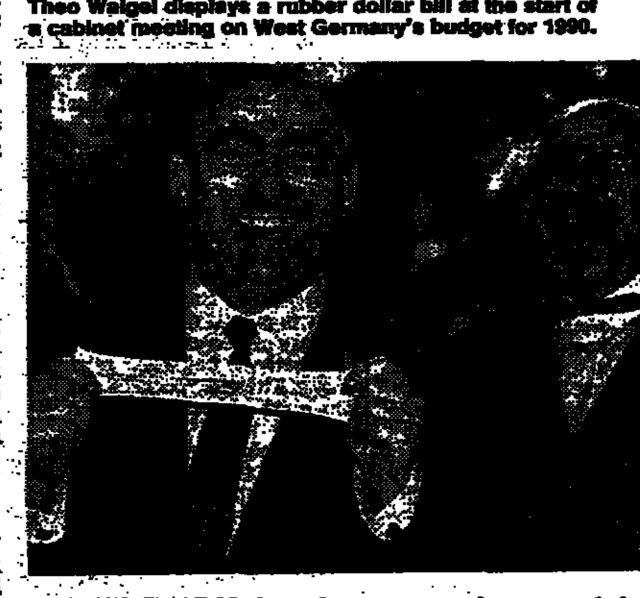
Two or three years ago, Mr Karl Otto Pöhl, the Bundesbank president, in line with some of the Government's critics abroad, took Bonn to task for not speeding up tax cuts. Now, however, showing how much the picture has changed, Mr Pöhl has had cause to ask out loud whether next year's tax give-aways will not add to the danger of over-heating.

Apart from the electoral implications, next year's tax measures in fact now seem nicely timed to counteract a likely deceleration in the US economy.

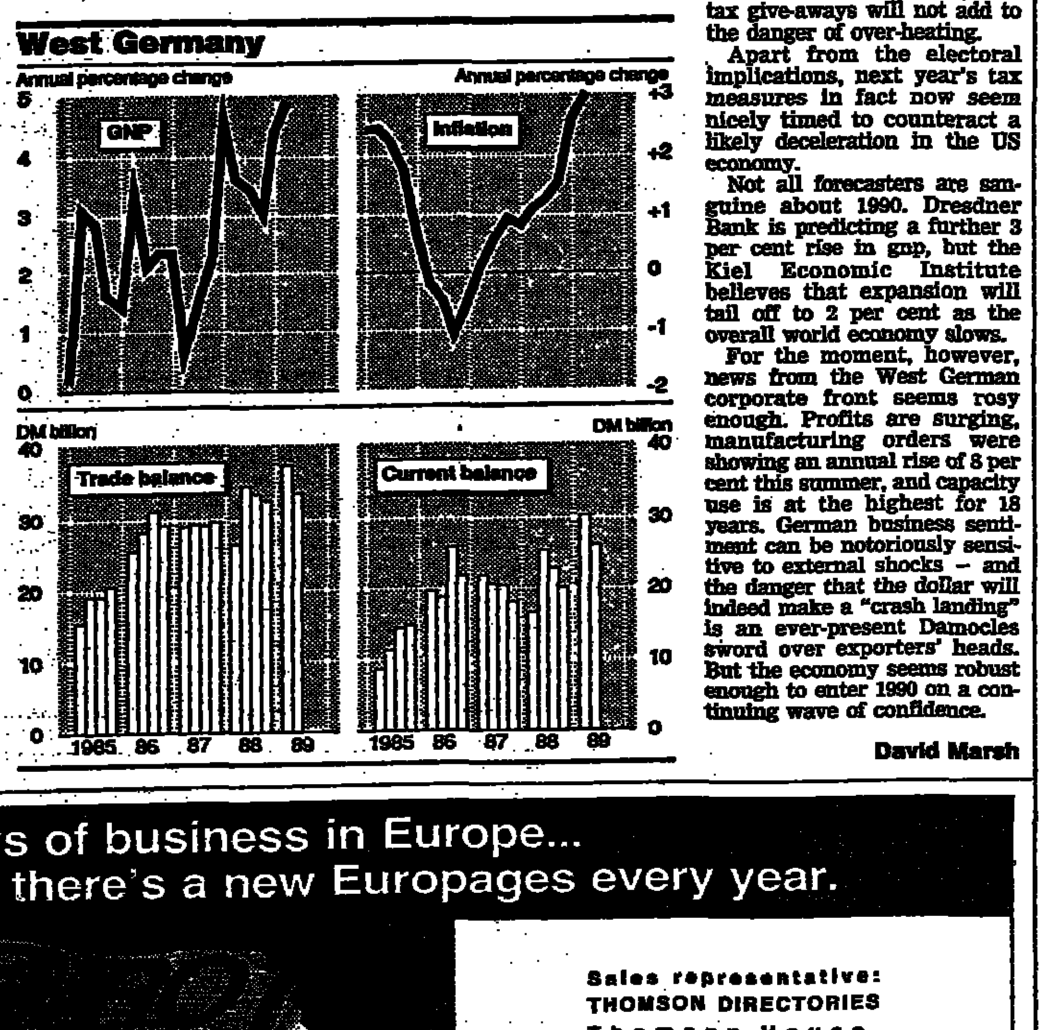
Not all forecasters are sanguine about 1990. Dresdner Bank is predicting a further 3 per cent rise in gnp, but the Kiel Economic Institute believes that expansion will tail off to 2 per cent as the overall world economy slows.

For the moment, however, news from the West German corporate front seems rosy enough. Profits are surging, manufacturing orders were showing an annual rise of 8 per cent this summer, and capacity use is at the highest for 18 years. German business sentiment can be notoriously sensitive to external shocks – and the danger that the dollar will indeed make a "crash landing" is an ever-present Damocles sword over exporters' heads. But the economy seems robust enough to enter 1990 on a continuing wave of confidence.

David Marsh



■ West German Chancellor Helmut Kohl, above left, confers with US President George Bush at this year's summit meeting in Paris of the Group of Seven industrialised countries.
■ Below: In Bonn, the new West German Finance Minister, Theo Waigel displays a rubber dollar bill at the start of a cabinet meeting on West Germany's budget for 1990.



Profile: Karl Otto Pöhl

Doyen of the banking world

AS THE longest-serving head of a central bank in the West, Mr Karl Otto Pöhl, the president of the West German Bundesbank, can justifiably be called the doyen of the international banking community.

Stocky, tanned and invariably well-turned out, Mr Pöhl is one of the more colourful figures on the international monetary stage. His willingness to speak off the record makes him popular among journalists, although some suggest his relationship with the press is far from a one-way street. Certainly, the canny Bundesbank president has been in the business long enough to know the value of a good one-liner to guide news-hungry journalists his way.

Recent months have brought more stability on the Forex front, meaning that it has been European issues, rather than the currency minefield, which have been attracting Mr Pöhl's attention. A member of the Delors committee on European economic and monetary integration, he has been cautiously optimistic about the prospects for the European Community moving closer together in monetary and economic affairs.

He knows the value of a one-liner to news-hungry journalists

But unlike some members of the previous city administration in the Bundesbank's home town of Frankfurt, Mr Pöhl is a pragmatist, who nurses no plans to construct a new edifice to European co-operation alongside the Bundesbank's current home just north of the city centre. For while some local politicians have portrayed the city as the unquestioned European financial centre of the future, the urbane Mr Pöhl has cast doubts on the need to set up a new institution at all, let alone find it a home.

In that respect, he has been guided by two concerns: anxiety to preserve the Bundesbank's much-vaunted independence, laid down in a special law; and a stress, ever since the publication of the Delors committee report in April, on the need to move towards closer European monetary co-operation via a softly, softly – but ultimately workable – approach, rather than through grand, but eventually futile – designs.

The first concern has occasionally caused strains in the closer economic and monetary dialogue developing between the French and German governments. For while bilateral discussions between the EC's two central partners are nothing new, the latest steps towards co-ordinating positions threaten to encroach on the Bundesbank's constitutionally-demarcated territory.

Meanwhile, as his second priority Mr Pöhl has striven to ensure that the latest moves towards monetary collaboration should be taken on a pragmatic basis, with an emphasis on using the tools currently at countries' disposal, rather than jumping to any new treaties, which would require political ratification by all 12 national parliaments. As a former senior civil servant in the Bonn Ministry of Finance, Mr Pöhl is sufficiently steeped in the workings of everyday power politics to know how unwise it can be to let ambition get the better of political realities.

In that respect, he has succeeded in adjusting to changing realities rather well himself. Originally appointed as a vice-president of the Bundesbank by Chancellor Helmut Schmidt's Socialist-led Government in June 1977, after which he moved to the top job in January 1980, he has stayed in charge despite the subsequent shift of power in Bonn away from the SPD to Chancellor Helmut Kohl's right-wing Christian Democrats, who in June 1987 appointed him to a second eight-year term.

The climate could become even less comfortable next year

Nevertheless, some Bundesbank-watchers have wondered whether Mr Pöhl, for all his political agility, may have been finding the political climate in the top policy-making council less friendly of late. Matters could become even less comfortable next year when the affable Mr Leonhard Gleske retires, to be replaced by the able and internationally experienced, but ambitious Mr Hans Tietmeyer, currently a state secretary, like Mr Pöhl himself in the past, at the Finance Ministry.

But while there have been suggestions that recent rises in German interest rates – notably last April – were pushed through by senior regional Bundesbankers from its regional head offices against Mr Pöhl's own wishes, he has never hinted at any lesser commitment on his part to fighting inflation. If there were any differences over policy earlier this year, it was a question of timing rather than direction, with some wanting an upward shift sooner than the Bundesbank president. How matters will change after Mr Tietmeyer parachutes in from Bonn remains to be seen, however.

Inside his office on the marble-walled top executive floor of the bank, visitors have a chance to gain a closer glimpse of Pöhl the individualist. True, the bank's stark concrete building hardly lends itself to the wood-panelled and leather bound image of its counterparts in London or Paris, but Mr Pöhl, who is often to be seen pictured alongside one of the modern works of art which enliven its utilitarian corridors, has given it a slightly more personal touch.

It will be some years before the bank completes its long-awaited extension, which will allow all its Frankfurt staff to work more closely together. If some of the designs are anything to go by, the new building should reflect just that extra touch of character that the occasionally unconventional Mr Pöhl likes to portray.

Haig Simonian

Mr Karl Otto Pöhl, the long-serving Bundesbank president and a colourful figure on the international monetary stage.

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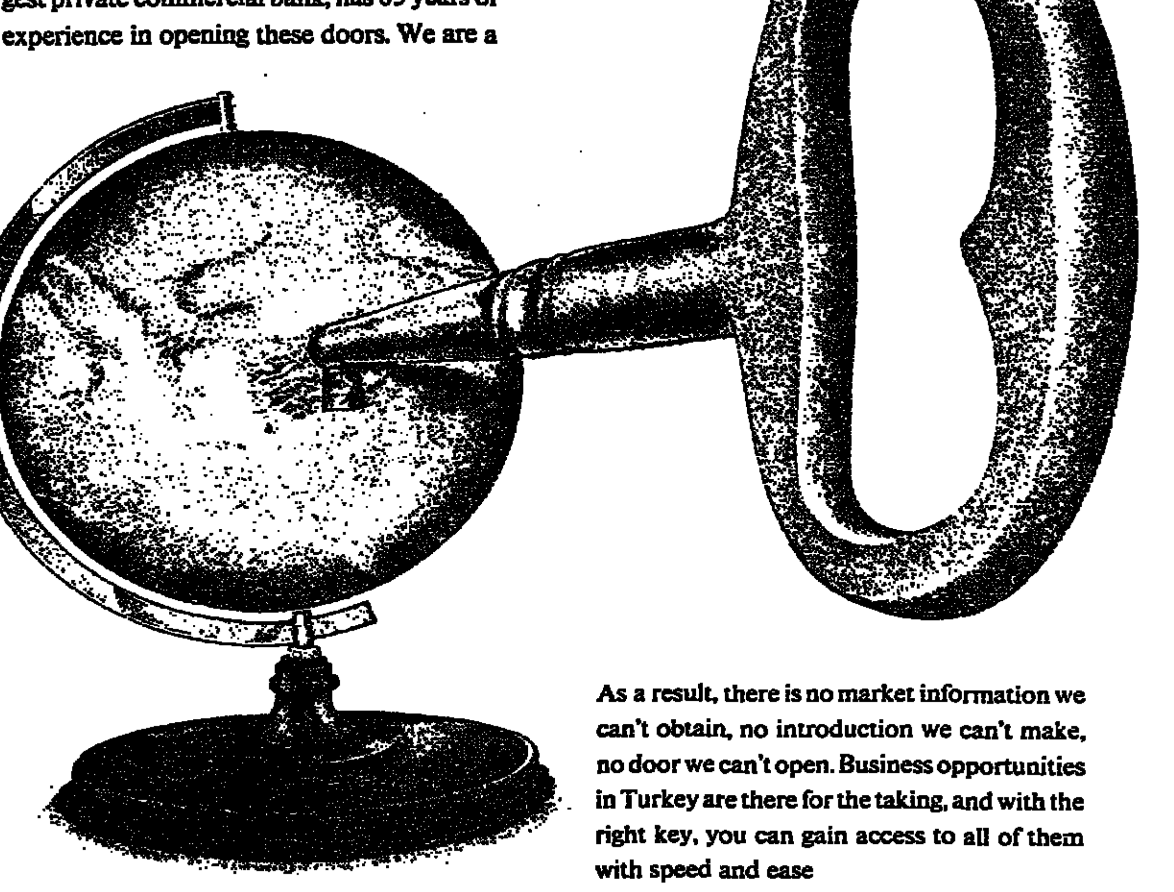

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BRITAIN'S ECONOMIC PERFORMANCE

Uncertainty prevails

EVEN AS late as autumn, it is not clear how Britain's economic performance in 1989 will go down in the history books.

It could be the year in which Mr Nigel Lawson, the Chancellor, proves he is a strategist *par excellence* – navigating the UK out of troubled waters and towards strong, sustainable growth in time for a general election in 1991 or 1992.

Or it could be the year that his six-year chancellorship starts to unravel, with large trade deficits and stubbornly high inflation wrecking any improvement in the underlying competitiveness of the economy.

What is evident is that 1989 will be a turning point. The Government's high interest rate policy – brought into play in the summer of 1988 as inflation started to rise remorsely – shows all the signs of starting to work. Economic statistics are – with a few notable exceptions – pointing in the right direction. Even retail price inflation appears to have passed a peak. The snag is that the process of adjustment is taking far longer – and could prove more painful – than probably the Treasury ever imagined.

Having nudged the economy to point in the direction he wants, Mr Lawson has to be careful that high interest rates do not push it too far towards recession. There are gloomy economic prophets a-plenty who, in the event of a "crash-landing", would smugly say: "I told you so."

His plan for combatting inflation has been simple enough. By the middle of last year, the economy was clearly growing too fast. Excessive consumer spending, lubricated by credit, was sucking in exports and allowing manufacturers to push up prices. Unemployment was falling sharply, encouraging high wage demands and fuelling skills shortages. The result was an explosive increase in the current account deficit and a steeply climbing path for inflation.

From May 1988, base rates

Clearly, 1989 will be a turning point

were raised 10 times, reaching 14 per cent a year later. High interest rates, the Treasury argued, have both direct effects on the economy and effects via the support they give to sterling. The 1989 Budget, in contrast to its immediate predecessor, was a model of fiscal caution – despite an abundant publicsector financial surplus. Spending by government departments has been brought to heel.

Some effects of high interest rates have already been pronounced. Feverish activity in the housing market has been firmly defeated.

Consumer spending, too, is growing at a much slower rate. Year-on-year growth in retail sales is back to levels last seen as the economy was recovering from the recession of the early 1980s. Total consumer spending in the first half of 1989 increased by only 1¼ per cent.

Despite the upward pressures from real wage rises, and changes to the National Insurance contribution system which take effect from October, most City analysts expect only relatively slow growth in consumer spending for the rest of the year.

In industry, the effects of high interest rates have been slower in coming through. Until at least the turn of the year, it was not clear if any significant effect had been felt.

Subsequently, however, the Central Statistical Office has had to revise downwards its estimate of the underlying growth rate in manufacturing output as each month's figures are published.

More forward-looking indicators, such as the confidence measures in the Confederation of British Industry's industrial trends survey, could be pointing to a still more marked slowdown – although there is, as yet, no indication that a recession is likely.

Mrs Thatcher: urging caution towards membership of the EMS

Picture: Ashley Ashwood

There have been upsets for the Government, however. Most notorious have been the alleged rows between Mr Nigel Lawson and the Prime Minister over exchange rate strategy.

The Chancellor has lobbied for early membership of the exchange rate mechanism of the European Monetary System; Mrs Thatcher has urged more caution. There have also been disagreements over the consequences in the past of sterling shadowing the Deutsche Mark.

In truth, such friction has probably been about little more than semantics. But the impression of disorder it has created has destabilised foreign exchange markets. And with sterling's strength a vital part of the anti-inflationary strategy, the Government could find itself playing with fire if such arguments were to re-surface.

At the same time, some economic indicators remain stubbornly out of synchronisation. Hopes that the current account deficit had begun to improve have been upset recently by large monthly deficits. M0, the narrow measure of the money supply, has only hesitantly moved towards the target range set by the Government.

Worryingly, broad money, including bank and building society deposits, has been growing by up to 20 per cent a year. Non-mortgage lending to the personal sector appears largely indifferent to high interest rates. Pay settlements in manufacturing and service industries are running at probably their highest rate since 1981.

For these aberrations there are possible excuses: trade figures have been affected by a national dock strike and possible difficulties with seasonal adjustments. Lending figures could reflect "distress borrowing" as high interest rates force companies and individuals to borrow more in order to maintain constant spending patterns.

But, even if they can be explained away, the uncertainty created means that interest rates are likely to remain high for some time yet. Not only has sterling, for which interest rates are providing a foundation, to remain high, but wage settlements must be prevented from getting out of hand as the autumn pay round starts up.

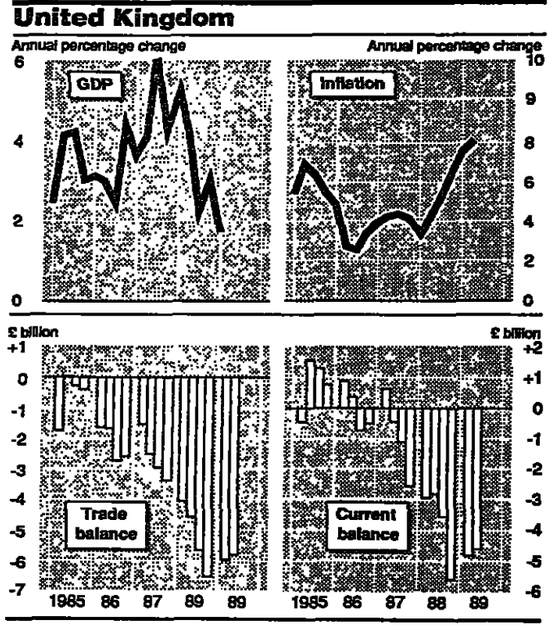
That is likely to increase anguish for many companies as slower demand feeds through into higher stockbuilding or lower output.

Mr Lawson will not be indifferent to the squeals that are likely to come. Treasury ministers themselves like to emphasise the importance of rapid growth in investment for a healthy economy. His task is to decide when, or whether, policy should be loosened in order to set the economy on the most advantageous path – steering between threatened recession on one side and continued inflationary growth on the other.

With one eye on the history books and the other on the forthcoming election, that is not going to be an easy decision to make.

Ralph Atkins

United Kingdom



Profile: Sir Alan Walters, economic adviser

An influential voice

IN THE anonymous world of British public service, where discretion is almost always the better part of valour, Sir Alan Walters, the Prime Minister's personal economic adviser, cuts a rare figure.

His outsider status, unpredictability and liking for plain speaking and publicity mark him apart from the usual senior civil servant with whom he mixes and crosses swords.

But despite, or possibly because of this, a collective sigh of relief was heard among the Whitehall mandarinate last December, when Downing Street announced that Sir Alan would be returning to more permanent duties in May this year.

"At least we will know what he's saying to her," one senior Treasury official said at the time, adding, "And he'll have to keep his mouth shut."

Since 1983, when he relinquished his full-time duties and returned to Washington, where he is an adviser to the World Bank and a professor of economics at Johns Hopkins University in nearby Maryland, Sir Alan has been in regular contact with Mrs Thatcher and exerted a quiet and little known influence on policy.

He is widely, and correctly, regarded in the City of London as one of the most influential voices in British economic policy today. "Alan can interpret the Prime Minister better than most," says one senior official. In recognition of that, London's financial markets hang on his words and crave the latest gossip concerning his views. Sir Alan Walters matters.

He is an economist who believes that most of the problems with modern economies are created by governments interfering in markets. In Mrs Thatcher, the professor has found a receptive student.

Sir Alan Walters

The key to his success and longevity in office is simple. As Lord Jock Bruce-Gardyne, a Tory peer and former Treasury minister, says: "The important point is that he is good at dealing with the Prime Minister. He's able to argue with her, and he's not remotely phased by her."

It is a testimony to the Prime Minister's high regard for Sir Alan that he got off so lightly after he had attacked the Chancellor of the Exchequer in the press last year. He was reminded that he was her personal economic adviser, not the nation's. Since then, he has kept his counsel, declining to be interviewed for this article.

Sir Alan, who was 63 in June, is a model of the Thatcherite outsider who has succeeded in the Britain of the 1980s. He grew up in Leicester, the son of a working class member of the Communist party. He failed to distinguish himself at school – like so many late starters – and it was not until after he had completed his national service and returned to study that his academic talents were displayed.

He came first in his year at the London School of Economics – no mean feat, as he was an external student in Leicester at the time. After an unhappy year at Oxford, he was head-hunted by Gilbert Walker, dean of the school of social sciences at Birmingham University.

Prof Walker, who was the leading transport economist of his day and passed on that interest to the young Walters, had a talent for spotting and employing bright graduates. A clutch of them gathered at Birmingham in the early 1950s: Terence Gorman and Frank Hahn, both distinguished theoreticians in economics; and Ezra Bennathan and Michael Beesley, who, like Sir Alan, were more interested in micro-economic issues and made important contributions to the literature.

All were close friends, and he has kept in close contact with many of them. "We were brash, spent a lot of time in each other's company and were all unusually inquisitive," says one.

If, because of his current duties, he spends less time with his Birmingham friends, the other attributes, brashness and inquisitiveness, have not diminished with time.

"Alan can be a bit of a tease," says one senior official, who has known him since he joined Mrs Thatcher's staff in 1981. "He can state logical propositions in black and white, extreme terms."

His range of interest spans the collecting of 13th and 14th century Thai porcelain – a habit acquired in 1963, when he first visited Thailand on an United Nations mission – 18th century English drawings, and music. "The picture of him as a narrow dogmatist is not true," says one old friend. "He is one of the most catholic people I know."

A number of themes recur when talking to Sir Alan's friends and colleagues. The first is his deep scepticism about the ability of government to regulate the economy and the concomitant belief in the workings of the market. The second is his presentational skill: his ability to simplify complicated ideas and to argue them persuasively and doggedly.

It is the combination of these two things that lies at the centre of his relationship with Mrs Thatcher – a relationship that is the sole source of what influence and power he possesses. They have a very similar view of the world, and he can make the technicalities of economic policy transparent for her.

During his first tour of duty, his influence was most directly felt in domestic policy; importantly, he provided the Prime Minister with the support she needed to sanction a rise in taxes in the 1981 Budget, widely regarded at the time as economic heresy and certain to push the economy even deeper into recession.

That decision is now widely seen as crucial in the Government's success in getting inflation down and laying the foundation for its conquering of Britain's endemic budgetary problems. It also cemented the Prime Minister's respect for him and earned him the accolade of having a track record.

His batting record was not, however, perfect. In the early 1980s, he was an advocate of monetary base control, but lost that fight to the combined might of the Treasury and the Bank of England, who warned that such a procedure would play havoc with short-term interest rates and hence the politically sensitive mortgage rate. The Government settled instead for targeting the growth of M0, which consists mostly of notes and coins in circulation.

More recently, his interest has been sparked by work at the US Federal Reserve, the

Continued on page 9

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FRANCE

Growth sustained

JUST AS France has basked for months in a seemingly endless hot summer, so the French economy is enjoying a sunny cycle of growth and prosperity which has proved much more sustained than anyone could have dared hope. For two years now, the shadow of an economic slowdown has repeatedly been predicted to be lying just round the next corner but one. On each occasion, however, the rate of economic expansion has proved to be more buoyant than expected, and the slowdown has once again been postponed to the next corner but one.

Two significant clouds overshadow this sun-lit scene. There is a substantial deficit on the foreign trade balance, which is worrying both because it is growing and because it is most acute in trade in industrial goods; and the rate of unemployment remains recalcitrantly high despite the rapid rate of economic growth, and risks rising still higher, at least in the short term.

In this context, the most recent trade figures have produced some bad news, with a deficit of FFr7.5bn in July compared with FFr3bn in June and FFr6.7bn in May. As a result, it seems probable that this year will show a total trade deficit of the order of FFr40bn, compared with FFr33bn for 1988. Once again, the civilian industrial account is heavily in deficit, with a shortfall of FFr11bn in July, only partly offset by the vigour of agro-food exports.

The most reassuring explanation for the disquieting figures suggests that the import bill is still being swollen by the continuing high level of industrial investment, as well as by the buoyancy of household demand; and that the export effort has been sapped by the slowdown in the US and Britain. But the spectre at the feast is the fear that French industry, for reasons which are unclear, may be in some structural sense less competitive than some of its main rivals, especially that of West Germany.

Despite its sustained growth rate, France still has one of the higher unemployment rates in Europe, with 2.8m out of work, or some 9.6 per cent of the active population, though it has now started to come down. The explanation is partly one of delayed reactions: in the experimental excitements of the Socialists' arrival in power in 1981, the country was slower than most of its European partners to adopt remedial responses to the stagflation of the second oil shock. But it is also partly the result of a relatively buoyant birth rate, which means that the active population in France is still expanding while those of Germany and Britain are contracting.

Like other European countries, France has resorted on a large scale to work-training and job-creation schemes. But these schemes are now more or less marking time in volume terms, with the result that the main burden of job creation has tacitly been handed back to the market. So far, it seems to be giving a moderately encouraging response: job losses in industry have slowed right down, while the rest of the economy is creating jobs at a rate of about 250,000 a year. This is very slightly faster than the number of new applicants coming onto the jobs market, but it is not fast enough to promise a return to full employment in the old meaning of the term, and it is critically dependent on continuing sustained expansion.

The problem with these looming clouds is that they could in time become objects of serious anxiety, because they could threaten France's European strategy. In a radical abandonment of traditional French reflexes of protectionism and nationalism, the Government of Mr Michel Rocard is firmly committed to the opening up of the Single European Market as from 1993. The stress of adapting the French economy to the increasingly competitive international environment, of which the Community market is the starkest symbol, played a large part in the initial rise in French unemployment, and there is little doubt that it also contributed substantially to the upsurge of the extreme right-wing National Front in last year's presidential elections.

By most measures, however, the French economy is performing remarkably satisfactorily, and looks set to go on doing so for a considerable time to come, partly because France is innocently sharing in the benefits of the favourable international economic cycle, partly because the present Socialist Government and its Gaullist predecessor have both pursued cautious and sensible macroeconomic policies.

Inflation has gradually been squeezed down to a rate of around 3.5 per cent, which is only slightly higher than the yardstick of inflation in Germany. Apart from its restrictive policy on salaries in the public sector, the main government instrument in reducing the inflation rate has been the reduction in the budget deficit, which has been steadily cut every year for the last four years, and is expected to be even lower in 1990.

It so happens that the latest estimate from the National Sta-

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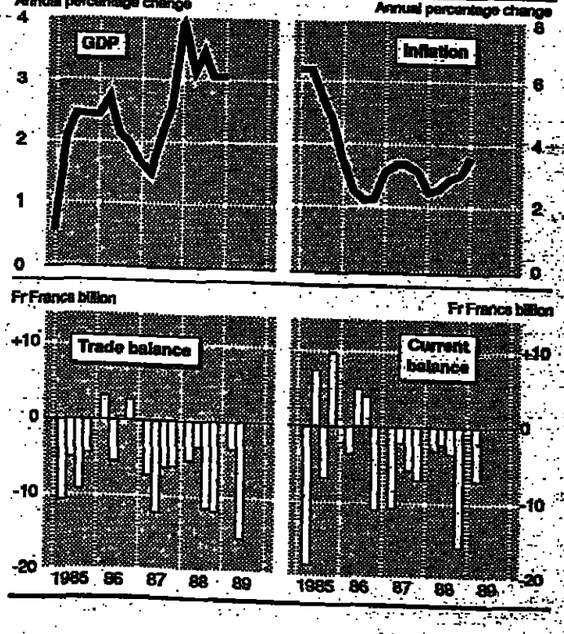
France



Charles Leadbeater on skill shortages and population trends

Changing labour markets

THE EXODUS of young East Germans into West Germany has largely been seen as a political event. The effects of perestroika in the Soviet Union are rippling through Eastern Europe, in turn signalling that the horizons of European integration extends beyond the EC's 1992 single market programme.

Yet the migration also has an important economic dimension. Whether West Germany fulfils the hopes invested in it by its new arrivals remains to be seen.

The arrival this year of 100,000 emigrants from East Germany and 300,000 ethnic Germans from other parts of the Eastern bloc could, however, mitigate a growing national problem: the contracting in the number of young people entering the labour market and an ageing population.

According to some estimates West Germany can expect 30 per cent of its population to be over 65 years old by the year 2040.

But a third of the migrants are under 18 years old. The population which on some estimates was set to fall below 60m by the turn of the century could rise above 65m, if the migration continues. That could help to solve mounting labour and skill shortages as well as helping to raise growth and investment.

The migration from east to west may be mirrored by a movement from south to north within the EC if the completion of the single European market leads to a wider labour market for both skilled and unskilled workers.

These potential migrations however are part of a much wider shift in the structure of the populations which will have widespread effects on all advanced economies over the next decade and beyond.

East Germans raise their arms in jubilation as they are allowed to leave Hungary and head for West Germany. The migration has important dimensions — both political and economic.

Throughout the advanced economies the number of young people entering the labour market is set to decline. The first signs of this decline are already being felt.

The OECD labour force of about 381m is projected to grow at 1 per next year, down from a 1.4 per cent growth rate in 1988. The decline in the US will be more marked, down from 2.1 per cent in 1986 to about 1.5 per cent next year, while in Japan it will fall from 1 per cent three years ago to 0.75 per cent. In the four major European economies it will fall from a 0.9 per cent growth rate, three years ago, to 0.5 per cent.

The OECD estimates that with countervailing migration flows and an unchanged level of womens' employment, a net surplus of new entrants into the job market of 2.5m a year in the 1980s could be transformed into an annual deficit of 11m.

The flip side of this is the ageing of the population. The number of people aged 65 and over rose from 47m in 1950 to 93m in 1980. The proportion of old people in the population increases from 8.1 per cent to 11.5 per cent. By 2025, one in four people within the OECD area could be more than 65 years old.

The timing of this gradual ageing of the population will vary from country to country. France has long had the oldest population in the world. In 1900, more than 8 per cent of the population were more than 65 years old. In contrast only 5 per cent of Japanese were aged over 65 years in 1950. Japan will experience an accelerating ageing of its population in the next decade.

The decline in French fertility rates, which has been under way for a century has been moderate, while in Italy it has been much more severe and sudden. The West German baby boom took place before the Second World War, while in France it was not evident until the end of the war.

But whatever the timing, there is little doubt it will arrive. It could have consequences for unemployment rates, policies on retirement and working time, social security systems, the structure of demand in the economy and thus employment.

The decline in the number of young people could mean that youth unemployment which became a serious problem in many advanced economies in the 1970s could be considerably eased. But clearly the price of labour, as well as the quantity, will determine the effect on unemployment. In the UK for instance, employers are scrambling to push up youth rates in pay to help recruitment. Young workers at some supermarket chains have been given rises of more than 20 per cent while young clerical workers at British Telecom have had rises of 33 per cent.

With youth rates of pay rising, employers may well turn to other sources of labour, particularly married women and older workers, who in the UK are often not registered as

Continued on page 10

A prominent economic advisor

Continued from page 3

US central bank, on R-star — a measure of the long-term equilibrium level of inflation — which he is believed to have brought to the attention of the Prime Minister, underlining his continuing interest in better ways to understand money.

Although, as one former associate noted, he will be keeping an eye on the domestic economy, "to make sure there is no Treasury back-sliding" on the fight against inflation, this time around the issues are largely international and European.

The most pressing issue facing Mrs Thatcher is economic and monetary union (EMU) and Britain's participation in the exchange rate mechanism (ERM) of the European Monetary System (EMS).

His views on the EMS are fairly well known, and they have helped bolster the Prime Minister's more instinctive aversion to the system. He believes Britain would forgo a substantial degree of sovereignty over her monetary policy if she were to participate fully. He finds the EMS "perverse" and "messy", a system which works in the opposite direction to its main aim, the convergence of economic performance, because it requires countries with low inflation to run a restrictive monetary policy, and those with high inflation an expansionary monetary policy.

In his view, which to many loses substance by the day, the loose fixing of exchange rates between countries in the ERM implies identical nominal interest rates. With differing rates of inflation among member countries, the likelihood of realignments can also lead to destabilising capital flows.

A quality of Sir Alan is his ability to surprise. So, while the Chancellor leads his opposite numbers a merry chase on EMU — promoting such ideas as making member countries' currencies legal tender in all — Sir Alan may well be developing a position for the Prime Minister that embraces fixed exchange rates after monetary and budgetary convergence has been attained, independently, of course.

Simon Holberton

Martin Wolf on the economics of the environment

The global sink

THE CONFIRMATION of the hole in the ozone layer above the Antarctic was the immediate cause of renewed environmental concern. But it is no accident that environmentalism has burst so forcibly through the front-door of global awareness as communism was leaving by the back. Worship of Gaia is, like messianic socialism, a religion. It is also a weapon in the unceasing war of the western intelligentsia against the market economy.

Environmentalists argue that the businessmen heroes of the capitalist system are poisoning the globe. Yet it would be perfectly reasonable to turn this view on its head. The problem is not that there is too much of the market economy, but that there is too little.

The policy issue is how to value, and ensure appropriate use of, those scarce resources — clean air and water, the ozone layer, tropical forests, blue whales and the view of St. Paul's Cathedral — that nobody owns. Since governments exist both to enforce property rights and provide those public goods which will not be delivered by the market, they will play a central role.

They will have enormous difficulty in doing so. Some of the externalities that reflect market failure are on a local, regional or national scale and can, at least in theory, be solved by existing layers of government.

Unfortunately, the most significant problems — particularly those associated with use of the environment as a sink — are so precisely because they are international or global.

It is at this level, that government failure will be greatest, since those problems can be tackled only by extensive international co-operation, with each country tempted to let others bear the costs.

Not infrequently, environmentally sound policy will contribute directly to economic activity or would do so if that activity were measured correctly. More usually, however, economic activity will have negative effects on the environment. In this sense, the environment is a constraint. But it is also an objective. The survival of a species cannot be marketed. In such cases, an increase in the benefit implies sacrifice of conventionallymeasured consumption.

The intellectual framework used to integrate environmental objectives and constraints within conventional economics is "sustainable development." The Brundtland Commission defined this as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." Both this and all other definitions are both vague and tendentious, but the underlying notion is clear enough.

It is that the capital stock, both man-made and environmental, left to our children should be at least as large as what we inherited.

Unfortunately, this does not take us very far. It does not tell us whether man-made capital can be substituted for environmental capital; nor does it tell us whether one form of environmental capital can be substituted for another; nor does it mean that the various elements of the capital stock can even be valued. It does not even tell us whether the bequest should be judged per head or in absolute terms.

The practical requirement, however, is to solve particular problems. Economic analysis — improved national accounts and cost-benefit analysis — and economic instruments — taxes, subsidies or markets in pollution rights — all have a useful role to play. But they are no magic wand.

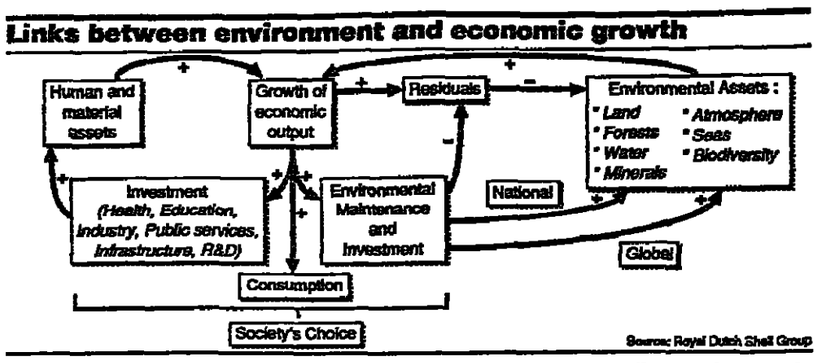
Consider the greenhouse effect. If prognostications are correct, this is potentially catastrophic. Even a small probability of disaster requires action and, in this case, that action must begin decades before the potential disaster.

The solution would be a sharp reduction in the emission of greenhouse gases. To achieve this, global agreement will be required, but this will be enormously difficult.

The demand for oil, gas and coal per head in Japan is 40 per cent of the US level. In the Soviet Union it is 71 per cent (despite much smaller output per head). In Latin America it is 11 per cent of the American level, while in the Far East

Continued on Page 10

Links between environment and economic growth



Source: Royal Dutch Shell Group

Cycle of expansion in France

Continued from page 8

tistical Institute (INSEE) suggests that the economy may have started to slow down, from a growth rate of 1.3 per cent during the first quarter of this year to 0.7 per cent in the second. Nevertheless, this is still a sustained rate of growth, and it means that the outcome for the year will still be an increase in output of over 3 per cent, whatever happens in the remaining months.

Next year, according to the latest prediction by the economic research institute Observatoire Francais des Conjonctures Economiques (OFCE), the French growth rate will subside to 2.4 per cent; but the sense of this "slowdown" acquires a different flavour when one notices that in three of the following four years OFCE expects growth of at least 2.6 per cent. This may not be the rate of growth France enjoyed in the 1950s, but it should help enormously during the difficult transition to the more integrated European market.

The difficulties of that transition will doubtless be felt in all parts of the economy, from smoke-stack industry to banking and financial services, from farming to distribution and retailing. But it will pose particularly acute problems for the Government's budgetary strategy.

The opening up of the Single European Market will require France to reduce its rates of Value Added Tax, and to lighten its taxation on savings, since both of them are above average for the Community. However, these types of tax are also very important sources of government revenue. Thus, the Community's Single Market will have the uncovenanted result of requiring the Socialist French Government to go much further in restraining public spending than even Mr Michel Rocard would have chosen. In theory, the logical response would be to seek alternative resources, by broadening the income tax net, which is currently scandalously narrowly-based.

So far, however, Mr Rocard has rigorously and publicly set his face against any such move; so presumably he is confident that he can get away with a continued real reduction in public spending.

Ian Davidson

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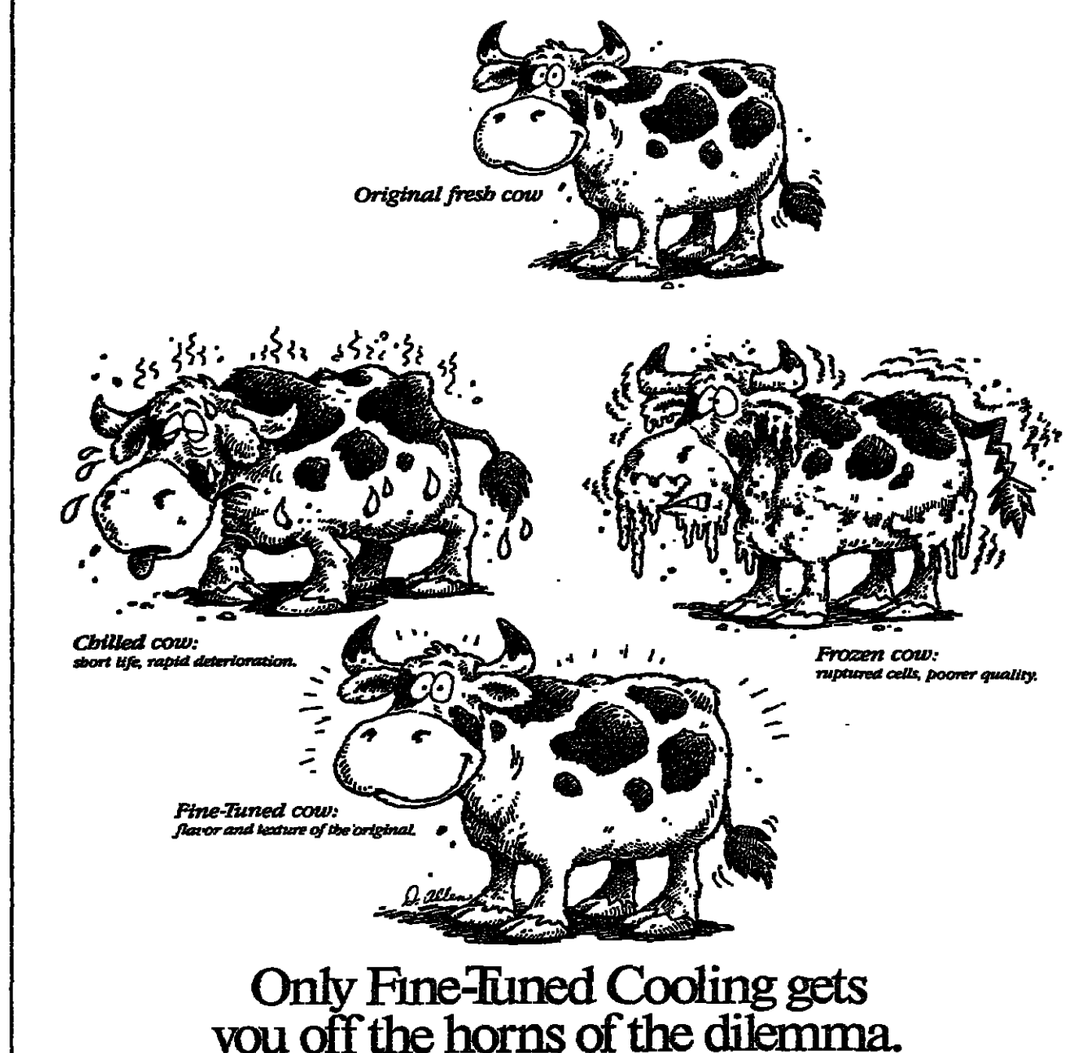

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New international debt initiative

A watershed year

HOWEVER THE international debt problem is finally resolved – whether through confrontation or conciliation – 1989 will probably be seen as a turning point.

The new international debt initiative, launched in March by Mr Nicholas Brady, the US Treasury Secretary, has provided that watershed. The Brady proposals switched the focus of the international strategy towards a reduction of debt burdens to commercial banks, rather than the provision of new loans. For the first time, official resources provided by the International Monetary Fund and World Bank would be used to support debt reduction operations for those countries agreeing to economic reform.

From the point of view of its supporters, the initiative has meant an overdue international recognition that the large debts of some developing countries constitute a significant obstacle to their economic recovery.

In the words of the IMF's April 1989 World Economic Outlook, the debt overhang "may have contributed to the weakness of investment in debt-problem countries. Moreover, factors contributing to a debt overhang may have exacerbated the political difficulties of sustaining appropriate adjustment policies."

The message is clear: while reducing debt is no panacea for developing countries, large debt burdens could well be hindering proper economic adjustment. Therefore, debt reduction may in some circumstances be a precondition to economic recovery rather than merely a consequence of it, as conventionally viewed in the past.

On the other hand, the view taken by some bankers is that the Brady initiative threatens to end the co-operative approach to the debt issue which has been adopted over the seven years since the crisis began. They suggest that the incentives to default have been heightened by the proposals.

This is why many bankers endorse the position of Sir Jeremy Morse, the chairman of Lloyds Bank, who has described "a darkening outlook" for developing country debt, as an increasing number of debtors resort to interest arrears as a way to finance payments deficits.

Yet as Mr John Reed, the chairman of Citicorp, has suggested, bankers probably brought the Brady focus on debt reduction upon themselves by insisting that new loans for developing countries would soon become impossible for them to arrange.

As others have pointed out, it is hardly credible to blame Brady for encouraging debtor countries to fall into interest arrears, when those arrears were already significant when the initiative was announced.

The reaction of bankers is understandable, since the Brady initiative and related changes which allow, for example, the IMF to disburse funds to debtor countries even when they are in arrears to banks, have shifted the balance of power away from the commercial banks.

Some bankers also argue that the ability of the banking system to accommodate the losses implied by the Brady Plan has been exaggerated. Others see themselves being used as an instrument of a US foreign policy which has the continued political stability of some countries such as Mexico as a prime objective.

While reducing debt is no panacea for developing countries, large debt burdens could well be hindering proper economic adjustment, says Steven Fidler

Yet even those who favour the general approach of the Brady initiative concede that the approach presents important, yet probably unforeseen, drawbacks and contradictions.

For example, negotiations on debt accords were to have been a matter for the debtor country and its banks. However, in the Mexican negotiations – the first blueprint for Brady – the level of official intervention in the negotiating process, both from the US and other governments and from the international financial institutions, has been unprecedented.

Moreover, as the Mexican deal has turned out, the provision of new loans by banks is essential for the debt reduction package to work. This apparent contradiction arises because the amount of official resources to back the package – some $7bn – will not be sufficient if all banks choose the debt reduction option. Furthermore, debt and debt service reduction alone would not be sufficient to cover Mexico's financing needs.

The mathematics of some countries' debt burdens also means that even a complete wiping out of bank debt would not provide the balance of payments support that a country needs. This is true in the case of the Philippines, for example.

There are also worries that the initiative will not bring about the "critical mass" of debt reduction needed to cut the debt overhang and thus be effective. There is little doubt that the Mexico package will result in hardly any net diminution of that country's more than $100bn foreign debt. Instead, US officials now justify the change in strategy by taking a dynamic view: in the future, Mexico's foreign debt will be less than it would have been if a pre-Brady financing package had been agreed instead.

Of course, debt reduction is not costless for the debtor country. Some argue that it pushes into the future a "return to the markets." Less arguably, it uses official resources that could otherwise be used to finance imports.

In the Mexico package, some $5.7bn of the $7bn is being provided by official institutions, including the Japanese Ex-Im Bank, to back debt and debt service reduction. So some of the reduction in bank debt and servicing is being offset by the increase in official credits. On top of that, Mexico is issuing bonds in exchange for old loans that it has agreed not to reschedule. This reduces significantly the country's future flexibility: more official credits, some of which cannot be rescheduled, and bonds which the Government has agreed not to reschedule.

There has been criticism of the Mexico package as too complicated. Nevertheless, the flexibility inherent in the Brady ideas means that other countries will take other routes. The Philippines has decided on a debt buy-back, using resources from the international financial institutions to buy its debt at a discount to face value instead of using those funds as collateral as in the Mexican package.

The Mexican deal was made possible in part by the expenditure of significant political capital by the US Government, pressure which is unlikely to be sustained over a long period.

For the richer countries such as Venezuela, many bankers still believe that debt reduction is inappropriate. For those such as Argentina, relations have been poor between government and banks, and arrears are such that agreement would be difficult. Other needy countries also do not stand to benefit much from the Brady ideas, such as those which owe most of their funds to other governments or official institutions.

Even though agreements between the banks and Mexico, the Philippines and a number of other countries are well advanced, the applicability of the approach across a broad front of debtors is thus yet to be tested.

Stephen Fidler

Labour markets

Continued from page 9

unemployed.

A decline in the number of young people may not automatically mean a fall in unemployment, as it could lead employers to seek other sources of labour not officially registered as unemployed.

OECD unemployment is projected as 7.25 per cent next year, with more than 28m people out of work, 17.25m of them in Europe. A large share of this is accounted for by adult long-term unemployment.

As yet, it seems that employers faced with a decline in the number of young people are not keen to turn to the long-term unemployed as an alternative source of recruits.

But even this does not adequately capture the possible ramifications of the demographic changes in prospect.

- The change in the age structure could have consequences for skills training and the introduction of new technology. The increasing importance of professional and scientific jobs in the 1990s may well require more young people to stay longer in education. But higher youth pay rates will discourage this.
- Policies towards the retraining of older workers will need to be addressed if they are to keep abreast of technological changes.
- Can economies afford to allow the non productive share of their populations to increase? This may require a rethinking of policies on retirement and the trend towards lower retirement ages.
- The rise in the dependent population will put new strains on health and pensions systems, particularly in countries like the United States where businesses bear a large share of health costs.
- The changes will gradually shift the structure of demand in the economy. The rise in youth wages could make the 1990s an era of assertive youth culture. Old people also have distinctive demands. Older households consumer relatively more food and spend more on accommodation and maintenance than younger people and relatively less on clothing, transport and leisure.

Providing services and care for the elderly could become a growing business, along with child care provision if more women are encouraged into employment to make up for the shortfall in young people.

The decline in the number of young people may appear to hold out a solution to the problems of youth unemployment. It could well help to hold unemployment down despite slowing economic growth.

Yet it is not a simple calculation of entrants into the labour market and the jobs available. The effects on unemployment will depend on interlocking changes stretching from retirement policy and health care to the structure of final demand and job creation.

Michael Holman examines the bitter debate over troubled African economies

Complex reasons for failure

"RECOVERY has begun," declared a joint World Bank-United Nations Development Programme report on African economies, published in March this year. The words set off a furore which continues to reverberate, as other development agencies, non-government organisations and some leading economists vigorously assert that the continent's economic crisis is getting worse, not better.

What is more, they maintain that the Bank's structural adjustment policies in Africa, applied with the backing of the International Monetary Fund (IMF) and adopted by about 30 of the 45 sub-Saharan African governments, are exacerbating rather than easing the crisis.

Further fuel was provided earlier this month for what has become a bitter debate, when the UN Conference on Trade and Development (Unctad) joined in. Adjustment programmes, said Unctad in its 1989 Trade and Development Report,† "have so far produced mixed results and achieved at most limited success."

The real loser in the debate are the impoverished millions in Africa. The danger is that reforms under way will lose momentum if the governments adopting them begin to doubt their efficacy; while those governments which advocate alternatives have not been able to win backing from the main lending and aid organisations, with the result that decline continues.

One thing all contributors to the debate agree on: the past decade has been a development disaster for Africa. Only Mauritius and Botswana stand out as successes, the former for reasons set out in a separate article, the latter the result of pragmatic handling of its diamond windfall. Question marks now surround two countries once held up as development models – the Ivory Coast and Kenya – while Nigeria, home of one in five Africans, squandered its oil wealth during the 1970s and is today a debilitated giant.

The reasons for the failure are complex. A colonial inheritance which saw governments take office with a relative handful of skilled personnel is one; and weak management characterises nearly all African states to this day. Increases in oil prices in the 1970s, while providing a bonanza for a handful of African producers, had a severe impact, as did the rise in interest rates. Drought and war have also taken their toll.

But the World Bank-UNDP report* is at its most persuasive when it argues that poor government policies have been a major factor.

With currencies overvalued by perhaps a third when compared with competitors, Africa's competitiveness in the international marketplace was undermined: "If African countries had simply maintained their 1970 share of non-oil primary exports from developing countries, their export earnings would have been $9-10bn higher a year in 1986-7," says the report, in one of its most telling observations.

"This shortfall is similar in magnitude to sub-Saharan Africa's annual debt service payments, or donor assistance. If Africa's export growth had matched that of other LDCs, its debt service ratio would be about half of what it is today."

Differences between the Bank and its critics have been at their sharpest, however, over the remedy for the malaise, rather than the reason.

Structural adjustment policies have included devaluation, cuts in budget deficits, higher producer prices in agriculture, the reduction or elimination of food and other subsidies, and either privatising state-owned enterprises or putting them on a commercial footing.

The joint Bank-UNDP report acknowledged that drawing general conclusions about the benefits is difficult. Nevertheless, it said, "evidence suggests that reforms and economic adjustment generally have led to better economic performance in the region."

Food production grew twice as fast in countries that had either liberalised food marketing or did not enforce controls, average annual export growth in countries taking the "adjustment medicine" was about double the rate of non-reforming countries, and decline in investment was halted, compared with continuing decline, observed the report.

The findings prompted an angry counter-blast from the UN Economic Commission for Africa (ECA), based in the Ethiopian capital of Addis Ahaba.

Africa's decline, far from being reversed, "continued unabated," said the ECA. It accused the Bank of making "selective and inconsistent" use of economic data, and of overlooking the adverse consequences of adjustment policies on the poor.

Reference periods, the ECA argued, "seem to have been chosen, at least in some cases, to fit preconceived conclusions." It complained: "Countries that are not adhering to IMF and World Bank-supported structural adjustments programmes are being penalised and starved of resource flows."

Last July, the ECA published its own report#, elaborating on its criticisms and putting forward policy alternatives: multiple exchange rates, selective subsidies, cuts in defence spending, differential exports subsidies and limited use of deficit financing for productive and infrastructural investments. In the meantime, efforts continue to find ways to ease the burden of Africa's $240bn external debt, one of the biggest obstacles to the continent's recovery. This month the World Bank is expected to announce a twin initiative to ease the debt burden of the world's poorest countries (most of which are in Africa) as well as reduce the plight of middle income debtors, such as Nigeria.

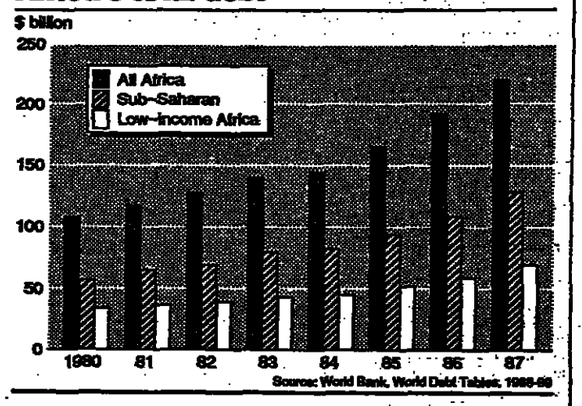
The combination of further debt relief and continued donor support may assist what on the face of it might seem a modest African recovery in the 1990s.

*"*Africa's Adjustment and Growth in the 1980s," World Bank, 1818 H Street, Washington DC 20433, USA*

†"*Trade and Development Report 1989," UNCTAD, Palais des Nations, Geneva*

#"*African Alternative Framework to Structural Adjustment Programmes," Economic Commission for Africa, PO Box 3001, Addis Ababa, Ethiopia.*

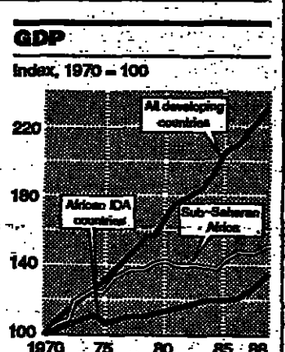
Africa's total debt



Source: World Bank, World Debt Tables, 1988-89

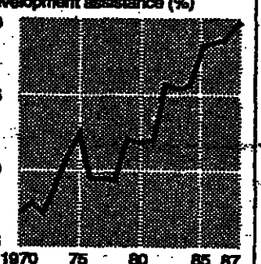
GDP

Index, 1970 = 100



Sub-Saharan Africa

Share of worldwide official development assistance (%)



The global sink

Continued from page 9

(excluding China) it is only 7 per cent.

Any agreement to curb emissions would, therefore, involve the most delicate international negotiations. India or China would have to be generously compensated for not being as wasteful as the US.

The equitable solution would be to allocate the rights to gas emission, globally, on an equal basis per head. Those emitting more than their share would then have to buy that right, so compensating the less advanced countries for the damage being done to a global 'common', the atmosphere.

National emission rights must then be turned into constraints on individual behaviour. An argument for using the price mechanism is that it would then be easier to identify whether other countries are cheating. A high price of gasoline is relatively visible, while controls are far more impenetrable to the outsider.

Monitoring will also be required, to ensure that only agreed quantities are being emitted and to update knowledge of the relation between emissions and atmospheric concentrations of gases.

All these mechanisms are merely a way of making painful adjustment more efficiently. The pain remains. Given available technology, the desired reduction in emissions may force radical changes in life styles. Consider, for example, the effects on American society of gasoline at $10 a gallon. It is difficult to believe that politics will permit such changes, merely to ward off a potential threat a generation hence.

Economic analysis and methods can help to clarify and deal with major environmental problems. But those problems have much wider ramifications. If any attempt is to be made to curb the global emissions of such a pervasive industrial waste as carbon dioxide, a radical transformation of international relations and domestic economic arrangements will be required.

If this is indeed the problem, it is difficult to believe politics will allow a solution.

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■ AFRICAN CASE STUDY: An economic breakthrough in Mauritius

Ambitious initiatives

WHILE several sub-Saharan countries show promising signs of turning the economic corner – most notably Ghana, Nigeria, and Kenya – only two, Botswana and Mauritius, have made the breakthrough into self-sustained growth. Neither is typical, with Botswana's success almost wholly reliant on the exploitation of rich diamond deposits, while Mauritius has pursued a path of export-led industrial growth unique to the region.

The Mauritian economic miracle is all the more striking because it illustrates how a sugar mono-economy, starting from a position of rampant inflation and high unemployment, made the transition to *NIC* (*newly-industrialising country*) status within 10 years. Since 1980, GDP has been growing at 6.2 per cent a year – outpacing some of the top Asian performers such as Singapore (6 per cent), Thailand (5.7 per cent) and Malaysia (4.7 per cent).

The main source of this growth has been manufacturing industry, where value-added has been increasing at more than 11 per cent a year, making the island's industrial sector one of the fastest growing in the world.

This success is explained by two main influences – an appropriate macroeconomic policy mix and the existence of the necessary supply capacity in terms of capital, both domestic and foreign, and of entrepreneurial and technical skills. In Africa, it is this latter input that is invariably missing, casting doubt on the capability of other sub-Saharan countries to adopt the Mauritian approach.

While the Export Processing Zone (EPZ) has been the engine of economic growth, doubling its share of GDP in the last seven years, sugar with 9 per cent of national product continues to play a crucial role. Indeed, much of the island's recent economic success is attributable to the far-sighted recyling of sugar profits into textiles in the EPZ and also into tourism.

This diversification out of sugar must now be followed by diversifying away from textiles. Clothing and textiles currently account for 88 per cent of EPZ value-added which has made the island extremely vulnerable on two counts – quota restrictions in the US market, and the recent weakening of demand in the vital EC market where a succession of warm winters has undermined demand for knitted garments.

At the same time, the export drive is being threatened by supply-side constraints. The most serious of these short-term constraints is the emergence of full employment on the island, with the unemployment rate down to 2.5 per cent in mid-1989 from 23 per cent 10 years ago. Textiles and the entire EPZ developed on the strength of a plentiful supply of well-educated workers, but this has now dried up, resulting in widespread poaching of workers, increased labour mobility and sharply higher wages. Employment growth and new venture creation has slowed too, forcing managers to opt for more capital-intensive production techniques which in turn require more highly-skilled personnel.

The Government has reacted to both the demand and supply constraints by mapping out a new industrial strategy for the 1990s, with the focus shifting upmarket towards greater value-added products. At the same time, manpower training has been given far greater weight. Mr Vishnu Lutchmeenaraidoo, *the Finance Minister, warns* that unless Mauritius makes the transition to a more capital-intensive economy, it will stagnate as "a half-baked NIC."

Mr Lutchmeenaraidoo is the architect of the island's planned shift to a service economy. Barclays recently became the first bank licensed to operate an offshore branch in Mauritius and the Government hopes to issue half a dozen such licences in the next year.

Port Louis is to become a free port and entrepôt centre, offering warehousing facilities to foreign manufacturers seeking markets in Africa.

Some of these ambitious initiatives may come to nothing, but the mere fact that the Government has struck out along this path underscores its recognition of the dynamic nature of economic development.

In the early 1980s, Mauritius courted foreign investment on a unselective basis. It offered cheap labour, a good infrastructure and an extremely attractive tax environment. With high unemployment, quantity rather than quality was what counted. Today, foreign investors are required to *perform different functions. It* is the technology and expertise they bring, along with the access to international markets, that is important.

While the labour and skills constraints are the two factors most likely to result in slower growth over the next few years – GDP will grow at 4 per cent *this year after* 5.7 per cent last year and an average of 8.7 per cent in 1986-87 – two other influences should not be overlooked. The first is the sheer pressure on infrastructure and space on this small, crowded island, and the second is pollution which is an increasingly serious problem that threatens to damage the tourist industry – the third largest foreign currency earner after textiles and sugar.

The lessons of the Mauritian economic miracle are that rational budgetary, monetary, and interest and exchange rate policies are required to create the appropriate environment for private initiatives to take root. But macroeconomic policies are not sufficient for sustained export-led growth. Two other prerequisites must be satisfied – unrestricted access to international markets which is increasingly difficult for developing countries once they reach a "threshold" of market *penetration in North America* or the EC, and, even more important, the domestic capability to develop non-traditional exports as distinct from exploiting an available natural resource like oil or copper.

Tony Hawkins

General Agreement on Tariffs and Trade

Bold plan to shape the world trading system

JUST OVER a year from now, the General Agreement on Tariffs and Trade is set to complete its most ambitious round of multilateral trade negotiations ever.

In late November 1990, around 100 trade ministers will come together in Brussels to set the seal on a set of agreements that are supposed to determine the shape of the world trading system for the new decade.

Much store has been set by this negotiation which was launched in 1986 in Punta del Este, Uruguay, as the antidote to forces of protectionism *which, then as now,* were perceived as growing as the US sought to grapple with its ballooning trade deficit with Japan.

It is still too early to say whether the Uruguay Round will succeed in averting what sceptics fear is a dangerous slide to bilateralism and pro*tectionism in international* trade policy, but as the Uruguay Round moves into its final stages three, seemingly contradictory trends have become apparent.

■ First, the Round has proceeded much faster and more smoothly than many expected despite an ambitious agenda which includes, for the first time, the notoriously difficult items of reforming world trade in agriculture and textiles as well as new issues such as trade in services, intellectual property rights and trade related investment.

■ The second is the seeming acceleration of the US drift to unilateralism in its trade dealings, typified in its decision to cite Japan, Brazil and India under as unfair traders under the terms of last year's Trade Act.

■ The third is the surge in world trade volumes, which has continued despite the evident strains affecting the sys*tem. Gatt is now forecasting* 7 per cent growth in world trade in goods this year, only slightly down on last year's 8.5 per cent.

On the surface, it is hard to reconcile smooth progress in the Round with the rise in US protectionism. Closer consideration might suggest that the emphasis now being placed on the positive by trade officials around the world itself reflects their underlying concern about what may happen if the Round falters.

The US decision to cite Japan, Brazil and India under its Omnibus Trade Act is not the only example of unilateral trade action this year. It has also issued warnings to a number of other countries that they could face sanctions if they fail to change their policies on trade in telecommunications and the protection of intellectual property.

Japanese goods, ready for export: a crucial consideration for Gatt policy-makers is bilateral trade relations with Japan, where the US is still in deficit to the tune of over $50bn.

Equally worrying for many trade policy experts, it has refused to accept a ruling that part of its Trade Act dealing with patent protection infringes Gatt rules.

In Europe, the fear that the Community could retreat behind fortress walls in setting trade policies for its single market has abated somewhat since last year, but member states still face some difficult decisions in specific areas like trade on automobiles and local content requirements.

Yet it is to the US that trade policy-makers now look to set the tone, and here the crucial consideration is bilateral trade relations with Japan, where the US is still in deficit to the tune of more than $50bn. The Administration is under remorseless pressure from Congress to deal with this problem which is seen not only as an affront to US pride, but also a threat to national security as Japanese financial and technological power grows.

The evidence so far suggests that the Bush Administration is yielding little to these pressures. Despite the outcry which followed its citation of Japan, India and Brazil, most trade experts agree that its action was little more than the minimum required under the law. Similarly, the more recent decision to extend steel import restraints for just 2½ years compared with the five years sought by the domestic industry betrays a White House predilection for liberal trade.

The Uruguay Round plays a pivotal role in this policy. It would be a means of demonstrating to Congress that tough rules are in place to ensure a level playing field in international trade, that it is no longer possible for foreigners to plunder US technology or to exploit its own economic openness while keeping their markets closed to US goods.

The idea is that Gatt should emerge from the Round strengthened and more respected, which is why the US has put its support firmly behind a tough schedule to finish the Round on time in 1990.

Yet Congress has long been sceptical of the Gatt and time is short. Despite the speed and relative ease with which the groundwork has been completed, the Uruguay Round talks have so far skirted around serious issues in areas like textiles, agriculture and intellectual property. Between now and the end of the year, the idea is that players in the Round will make their positions clear in all these areas. That will be followed by a period of bargaining up till mid-1990 and then an agreement will be refined.

In the course of this process, some real political sacrifices will be demanded of all key players if the Round is to produce a meaningful result.

The risk remains that these will not be forthcoming and the final document will represent a compromise that is low *on substance.*

Without a willingness to open its markets more to textile imports from developing countries, for example, the US may fail to achieve the stronger rules it wants for protection of intellectual property. The fear then is that Congress may not buy the agreement or *that the Administration* may be tempted to adopt an even stronger unilateral line.

The received wisdom is that this would lead to the formation of regional trading blocs and bilateral managed trade arrangements.

Some experts view the US/Canada Trade Agreement as harbinger of things to come in this regard.

Europe's Single Market could be another example, and more recently pressures have been growing for greater trade and economic co-operation among the countries of the Pacific Rim.

The chances of such total fragmentation of the system are slim, however. What is more likely is that trade disputes would increase and that without a strong Gatt to police the system, lawlessness would prevail, leading to managed trade in certain products which would squeeze developing countries further out of the *system* and impede growth in the industrial world.

Against this backdrop, it would be surprising if the recent strong performance of world trade flows could survive.

Peter Montagnon

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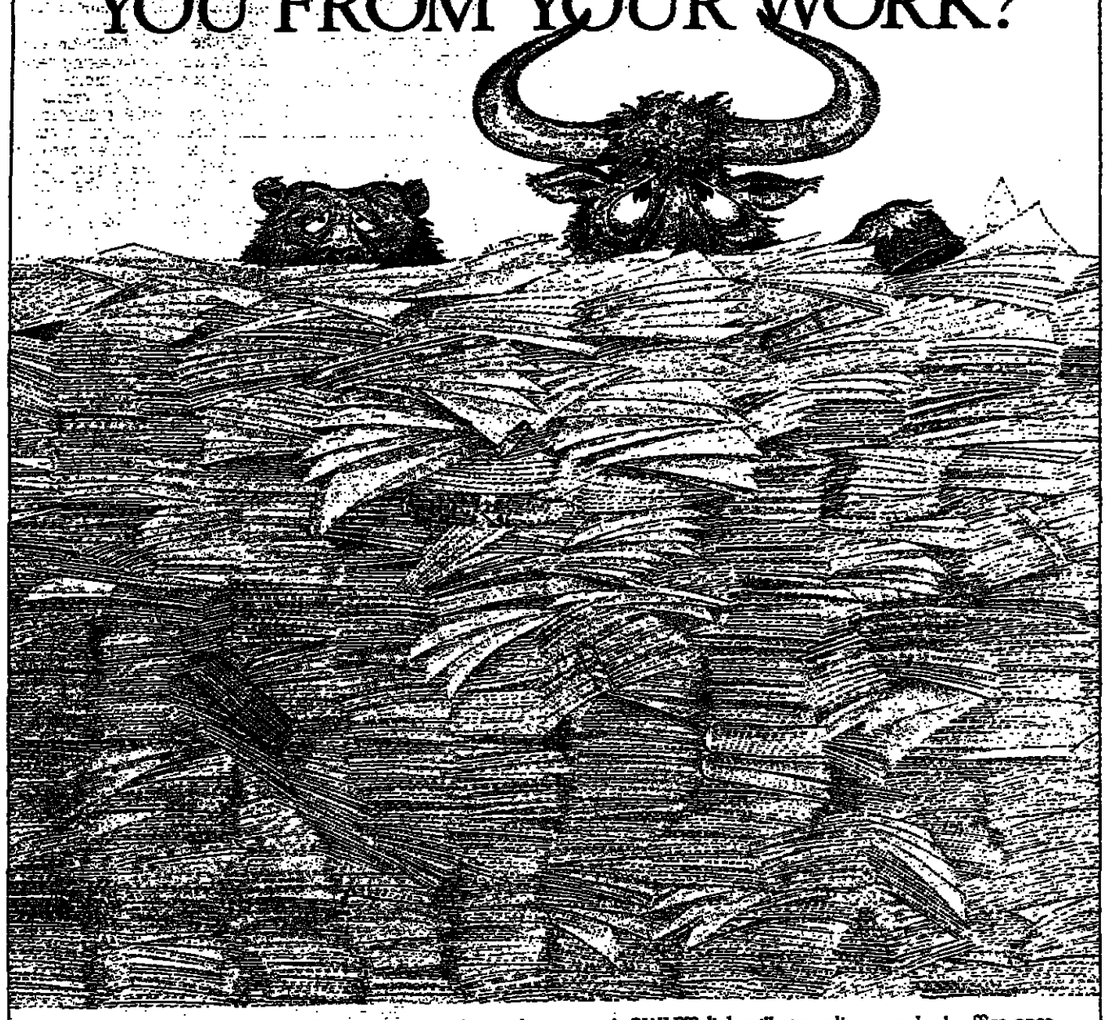

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First half year 1989: revenue advances by 21% and profit by 30%

Results first half year

1989 £ M.		1989 DFls. M.	1988 DFls. M.	
2 552	Premium income	8 699	7 099	+23%
3 569	Revenue	12 168	10 042	+21%
114	Net profit	390	299	+30%
2 724	Capital and surplus	9 286	7 697	+21%
0.81	Profit per share	DFls. 2.77	DFls. 2.45	+13%

Exchange rate: 1 £ = DFls. 3.409

Expectation

For the whole of 1989 the Executive Board expects strong revenue growth and a profit per share which at least equals the 1988 level.

Further information

The full half-yearly report can be obtained from: Nationale-Nederlanden N.V., Johan de Wittlaan 3, 2517 JR The Hague, the Netherlands. Tel.: (70) 58 16 57.

Nationale-Nederlanden

The battle is not yet over for the world's equity markets, says **Daniel Green**

Caution is still the watchword

THERE WAS once a time when stock markets seemed to provide a good leading indicator of the state of a nation's economic health.

If that were still the case, the buoyancy of world equity markets since the start of 1989 would mean that investors and analysts had decided that the world was not heading for recession.

However, a mixture of technical factors have this year conspired to suggest that this is not the whole story.

Upward pressure on interest rates seems to be easing

Most bourses have this year broken through all-time highs. Tokyo, for instance, was trading earlier this month at a premium of almost 30 per cent over its value the day before the crash of October 1987. New York was more than 20 per cent better. London was only 4.3 per cent higher, but the FTSE-100 index had grown 34.7 per cent since the start of the year.

Part of the rise can be ascribed to relief that the 1987 crash and the monetary action taken in its wake have not led to a slump. Upward pressure on inflation and interest rates seems to be easing, especially in the US where bond yields have fallen.

International trade flows have turned a corner; not only do economies appear to be on the long road away from huge imbalances, but in a world of easy capital flow, they are reduced in importance.

Growth in traditionally strong economies, such as Japan and West Germany, is once again leading those of the rest of the industrialised world. In terms of their share price performance this year, however, those countries are exceptions.

Although it has reached successive record highs, the Nikkei-Dow has advanced only slowly since January. Confidence has been restrained by the unfamiliar uncertainty arising from political scandal and the emergence of a measure of inflation.

West Germany has differed from other OECD members this year in putting on a spurt of economic growth. The resulting inflationary pressure has been only mild, so quoted companies have been re-rated.

The balance between the need to control inflation and the effort to limit the damage done to an economy by expensive money is more delicate in the United States and the rest of Europe. In the UK it is particularly awkward.

Such variable certainty might have been expected to dampen the popularity of equities. The saving grace has been a string of technical factors.

Equity dealers are jittery. Memories of Black Monday are fresh, and many younger traders still bear a raw scar that twinges whenever optimism rears its head.

Dealers are unwilling to take big positions in any one stock. The result is an almost perpetual stock shortage, which exaggerates the effect on a share's price of buying or selling.

While the dealers struggle to keep as few shares as they can on their books, their clients are swimming in cash. The corporate finance fashions of the late 1980s have conspired to put liquidity into a market which is running short of vehicles in which to place the funds.

Leveraged and management buy-outs have combined with debt-laden corporate raids to exchange stock held by investors for cash.

Buy-outs and takeovers usually take place at a premium to the market value of a stock. In a thin market, share prices can swing wildly as dealers fight to find the shares needed to fulfil buy orders.

The squeezing of supply is exacerbated by the continued popularity of junk financing, and its spread from Drexel Burnham Lambert to the rest of Wall Street and now to the UK, as demonstrated by Hoylake's £13bn bid for BAT Industries. With that trend has come a reduced flow of rights issues, which would have sopped up some of the liquidity. According to the magazine Business Week, US companies this decade retired nearly $500bn in equity while piling on almost $1,000bn in debt.

Such is the buying power of investors that cash is sent spinning out of domestic markets in search of foreign equities. Salomon Brothers estimates that in value terms the market for equities traded outside their home country has grown at an average rate of 36.6 per cent a year compound since 1979. Some of that the liquidity has even spilled into junk equities traded on embryonic or Third World exchanges.

Rising markets are likely to be tempered by small corrections

The Portuguese Government's privatisation programme, for example, has been a magnet for British, Spanish, West German and French buyers this summer. The local index rose 28 per cent in five weeks to September 4. Hardly a week has gone by this year without news of a once-sleepy stock exchange accelerating to new highs. South-east Asia heads the popularity list, along with New Zealand, Austria and Mexico.

In fact, despite rising indices, investors' endorsement of equity markets is not wholehearted. Trading volumes are significantly lower than they were in the first 10 months of 1987.

In a sense, equity markets have suffered from some inflationary pressure, not unlike that in the wider economy; investment money supply has grown much more quickly than the supply of investment goods.

It is not inflation in the sense that the intrinsic value of shares varies. Price/earnings ratios have long been deemed unsatisfactory as guides to the value of equities, but no adequate alternative has been found which can command the respect of investors. In the resulting menagerie of valuation tools, market players can choose one which one best fits their decision to buy or sell.

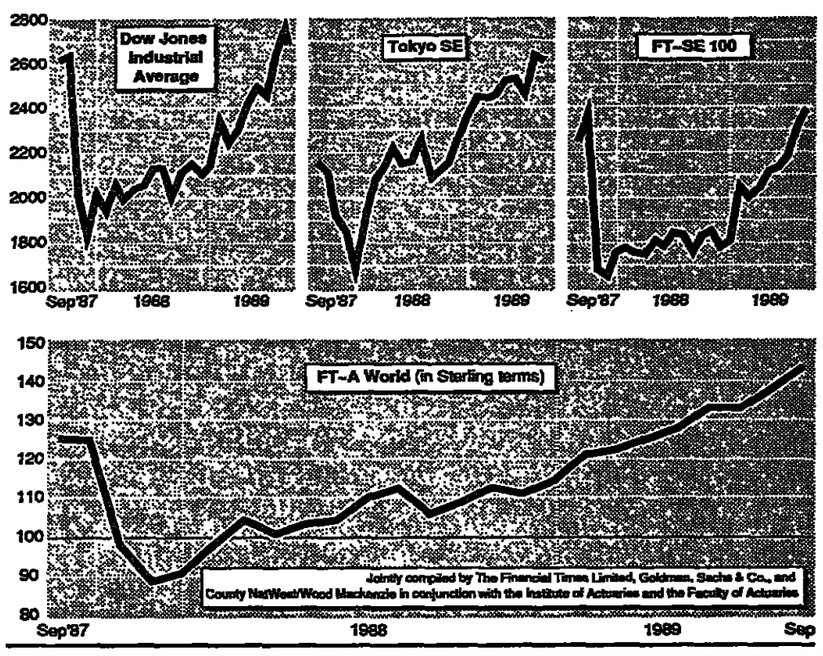
Some analysts seek to justify the strength of world bourses in terms of the changing scenery on the world's political stage. In the past, political crises, such as the Arab oil embargo of 1974, Middle East wars and attempts to assassinate US presidents have caused a flight of capital from equities to gold. But where are the sources of such world instability today? The Warsaw Pact seems to be dismantling traditional communism, China is preoccupied with internal matters and Middle East oil exporters seem emasculated by low prices and overproduction of oil.

The prospect of a liberal democratic capitalism spanning a world without dangerous opponents, at least one US analyst argues, has done precisely what it should for equity prices.

Most observers are more cautious. Equity markets have still to wrestle with the consequences of an economically liberalising Eastern bloc, the establishment of a single European market, and the possible dampening of growth as the environmental lobby gains support. With the Brady Plan, the US has tried to seize the initiative in the battle to contain Third World debt. The battle is not yet over, and interest rates remain uncomfortably high for both corporations and nations.

Such widespread caution means that rising markets are likely to be tempered by small downward corrections rather than a crash. But if one came, it might surprise fewer people than its counterpart two years ago.

Recovery of equity markets



FINANCIAL MARKETS

US dollar is the tail that wags the dog

IN THE complex and uneasy relationship between the world's financial markets and the global economy, it has once again been the US dollar which has dominated economic policy-making this year, leading some commentators to label the US currency "the tail that wags the dog" of the world economy.

There is no doubt that the monetary authorities of the world's leading economies have spent a good part of the year attempting, not always successfully, to control the excesses of the dollar, employing the dual weapons of central bank intervention in the international foreign exchange markets, and the raising of domestic interest rates to combat imported, dollar-led inflation.

The relatively high US interest rates continue to attract foreign capital

The difficulty in restraining the dollar's rise which, in spite of June's sharp downward correction, looks like being maintained at a steady pace in the coming year, has been rooted in a number of factors.

The perception that the US economy will not now sink into recession, rather that it will grow at a respectable 2 or 2.5 per cent in 1989, has led to a marked improvement in US economic sentiment.

Worries about US inflation appear to have been equally overdone, as the high interest rates of 1988 and early 1989 succeeded in putting the necessary brake on domestic consumption.

The relatively high US interest rates (the key Fed Funds rate currently stands at 9.25 per cent) continue to attract foreign capital to the US, as has an easing in concern about the trade deficit which some observers believe may have peaked (and is actually falling relative to gross national product).

Political turmoil and uncertainty in the Far East have made something of a safe haven of US assets, and a general confidence in US monetary policy, and in particular in the stewardship of Mr Alan Greenspan, chairman of the Federal Reserve, has only made the dollar more attractive.

The movement into US assets has been smoothed by the continued liberalisation of capital and financial markets, which has allowed international capital to move ever more freely and quickly from one market to another. This shift of money into the US has been most marked from Japan, where surplus savings and capital have moved into dollar assets, a trend which has led to both a stronger dollar and a firmer US treasury bond market.

Yet the internationalisation of capital has created considerable problems for economic policy-makers, leading some commentators occasionally to ascribe to financial markets – and the dollar in particular – the power to shape international monetary policy.

Mr Mark Cliffe, international economist at Nomura Research in London, believes capital flows (mostly into the US) in the past year have placed a greater emphasis on co-operation among international monetary authorities.

"We have seen, and not just in Japan but in the US and Europe as well, a tendency for financial institutions to increase the proportion of foreign assets in their portfolios. This is a structural trend which the monetary authorities are currently having to grapple with, and which puts them under pressure to co-ordinate their policies and be ever-vigilant about the consequences of their actions for financial markets."

The strong dollar has had its greatest effect on monetary policy outside the US. The greatest concern is the threat from dollar-led inflation; oil and world commodities are denominated in dollars, and a strong dollar pushes up energy and raw material costs, fuelling inflation in developed economies.

The strong dollar has had its greatest effect on monetary policy outside the US

This has forced monetary authorities, particularly in Tokyo, Frankfurt and to a lesser extent, London, to raise domestic interest rates (and keep them high) to counterbalance the inflationary influence of the dollar.

In Tokyo the rise in the official discount rate at the end of May from 2.5 to 3.25 per cent was in part required to put the brakes on a rapidly growing economy, but there was also a need to bolster a flagging yen against the dollar.

The difficult triangular relationship between financial markets, in this case represented by the dollar, monetary policy and the real economy, was neatly encapsulated in a recent comment on the Japanese economy from Goldman Sachs, the US investment bank.

Its assessment of the future direction of Japanese monetary policy included the following warning: "Further increases in short-term interest rates seem probable, essentially to cool an overheating domestic economy, although such moves are likely to be actually triggered by events in the foreign exchange markets and are unlikely to occur until the dollar's recent correction is seen to be clearly over."

The dollar creates another problem for monetary authorities in that central bank intervention in foreign exchange markets to hold the dollar's rise alters the shape of the domestic money supply; in effect, it reduces the monetary base. Because intervention has been required so often in the past two years, the unsettling effect on the monetary base of the UK, West Germany and Japan has been considerable.

The authorities seem quite happy to see the dollar stay at its present level

In an attempt to counteract the effect of the selling of dollars on the monetary base, central banks have in the past two years practised more of what is known as "sterilised" intervention.

This is when, for example, the Bank of England, having sold dollars (most probably to commercial banks) in exchange for sterling to stem the dollar's rise, is forced into the money markets to replace the resultant lost liquidity by purchasing domestic assets via the redemption of gilts held by those commercial banks.

If sterilised intervention were not practised, the subsequent reduction in the UK monetary base would have led to tighter conditions in the money markets and placed upward pressure on already high interest rates. In other words, central banks are being forced by the dollar's strength to tinker with their own money supplies in order to maintain domestic monetary stability.

The worry now is that the dollar will remain high. Although the monetary stance of the US authorities is likely to ease in the coming year, it will probably be insufficient to take the gloss off the dollar.

More important, the US authorities seem quite happy to see the dollar stay at its present level, rejecting demands to talk it down. The Fed also appears ready to tolerate a steady rise in the dollar throughout the remainder of 1989 and into next year, all of which will maintain pressure on other monetary authorities to keep interest rates high in the battle against inflation. The dollar, it seems, has some more wagging to do.

Patrick Harverson

Hope for a better future

Continued from page 1

unfinished business" in such areas as deregulating labour markets, competition policy, liberalising trade, dismantling subsidies, making agricultural production more responsive to market forces and generally rolling back therole of the state in the economies of its 24 member states.

But work carried out inside the Paris-based "think tank" points to an increase in the annual non-inflationary growth potential of some of the leading industrial countries of about half a percentage point from the 2 per cent annual rates estimated in the 1970s. Such seemingly small percentage point changes translate into a lot of gross domestic product.

The sight of the major economies co-ordinating policies to promote world growth may also have bolstered confidence among entrepreneurs and consumers and so helped stimulate the investment boom of the past two years and last year's impressive 9 per cent growth in world trade.

Financial markets, remembering that the October 1987 crash was preceded by a public row between the West German Bundesbank and the US Treasury, have responded favourably to the way in which the G7 leaders and finance ministers now go out of their way to spread a message of harmony.

On the foreign exchange markets, recent strong upwards movements of the dollar against the Deutsche Mark and the Japanese yen have at times made a mockery of the exchange rate limits that were supposed to exist under the Louvre Accord. But foreign exchange operators retain a healthy respect for central bank intervention and have seemed content to take small but assured profits from relatively minor currency movements rather than speculate on a massive scale.

Economists believe that regional trade pacts such as the US-Canada trade agreement and the European Community programme for a barrier-free internal market by the end of 1992 have also acted as a stimulus to investment, employment and growth.

But as companies in Europe and outside rush to adapt to the new conditions of the 1990s, there are also fears, especially outside the EC, that the 1992 project could turn out to be trade restricting rather than trade enhancing, despite all Brussels' protestations to the contrary.

Such fears are understandable. Among the many pitfalls confronting world policy-makers, protectionism is one of the most serious.

On the one hand, optimists can point to the rapid progress that has been achieved in the Uruguay Round of trade liberalisation talks, despite the presence of difficult subjects such as agriculture and services on the agenda. On the other, the US decision to use the controversial Super 301 provisions of its 1988 Trade Act to brand Japan, Brazil and India as "unfair traders" smacks dangerously of the kind of unilateralism and bilateralism that could spell the demise of the multilateral world trading system.

The issues of trade protectionism, the current account imbalances between the US, Japan and West Germany and the perennial problem of the US budget deficit are all linked. All are far from solution. If the world economy has an Achilles' heel, it probably lies in the threat posed to its trading system.

In the short-term, however, it is the financial markets that will keep policy-makers on their toes. In an age in which capital flows freely and massively between countries, the foreign exchange, bond and equity markets act as a system of checks and balances. The markets restrain the whims and fancies of finance ministers and central bankers and impose a degree of conformity on economic and financial policies.

The markets can provoke policy changes and the departure of familiar faces. The transfer earlier this year of Mr Gerhard Stoltenberg, West Germany's long-serving former Finance Minister, to the Bonn Defence Ministry can be largely traced to the huge DM121bn outflow of long- and short-term capital from West Germany that followed his ill-starred plan for a 10 per cent withholding tax on D-mark assets. The D-mark has still to regain its previous strength in the pantheon of world currencies despite West Germany's large and growing trade surplus.

It is a sobering thought that the FT's last two annual surveys of the World Economy painted a generally favourable picture of trends, only to be followed by upheavals on the financial markets. In 1987, there was the global stock market crash. Last year, the dollar experienced a precipitate fall after the election of Mr George Bush as US President.

New upheavals are always possible. But if economic policy-makers can keep up their recent record of successfully "muddling through," the world looks as if it will be sailing into a new decade in far better shape than it did 10 years ago.

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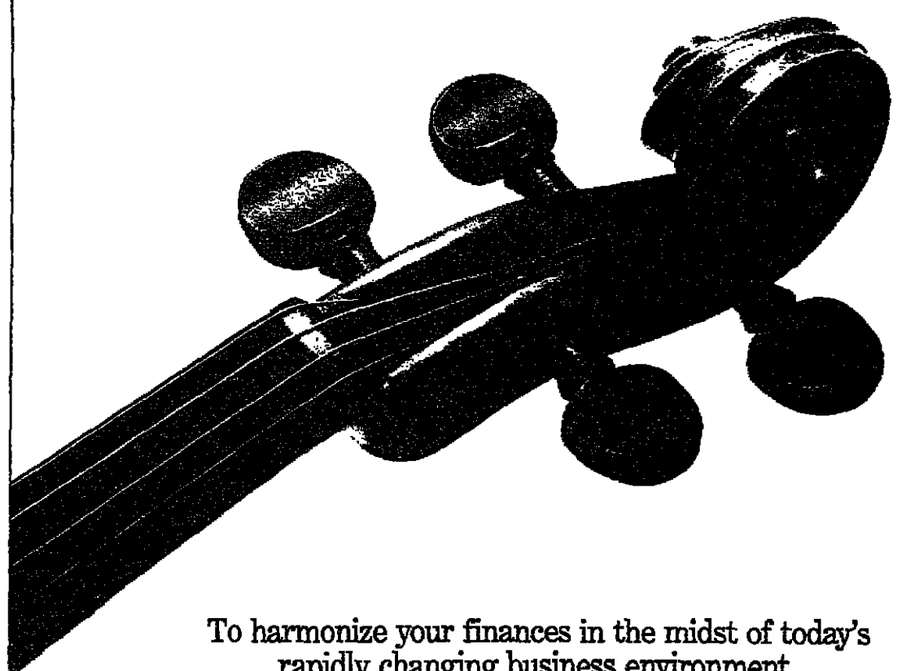

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INSIDE

Soviets explore links in oil

The Soviets are so keen to get western assistance in oil and gas exploration and development both in the Barents Sea and on-shore in Siberia, the Caspian region and the Arctic Circle, that they have been showing surprised western geologists data that even western companies would keep secret. In the Brezhnev era, offers of help to develop the Barents fields were turned down, but the perestroika of President Mikhail Gorbachev (above) has changed that policy. Page 36

Black news from A. Goldberg

Unfortunately for A. Goldberg, the Glasgow-based stores group fighting a hostile £32m bid from Blacks Leisure, it has had to tell shareholders that operating losses in the first five months of the year have been incurred at a higher rate than in the second half of 1988/9. Paradoxically, this dismal warning may have given the company its best chance of surviving the attack. Page 35

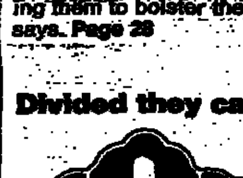
Jolts shake Jordanian finance

Petra Bank of Amman expanded aggressively in the 1980s during Jordan's economic boom, but in August, the Government took it over under martial law regulations as financial irregularities were discovered. Foreign bankers now wonder if they are in for any more shocks from Jordan's notoriously overcrowded banking market. Page 29

Bolstering an Italian bank

Professor Antonio Longo does not like people to say that he is mounting a "rescue" for Banca Nazionale del Lavoro (BNL), the scandal-ridden Italian bank which is soon to receive $1.4bn of fresh capital, $1.1bn from Istituto Nazionale delle Assicurazioni, the state insurance concern that he chairs. "BNL doesn't have any liquidity problems. We are just helping them to bolster their capital ratios," he says. Page 28

Divided they cannot rule



Independence has been the watchword for West Germany's leading financial house Matuschka since it was formed in 1970 by its chairman, Count Albrecht Matuschka. It remains the priority as the group sells a 25 per cent stake to six international institutions, including the Japanese financial house Nomura (logo, above). The largest stake is five per cent: splitting the holding stops the group being controlled by one shareholder. Page 31

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Chief price changes yesterday

FRANKFURT (DM)				Michelin	189.8	+	9.2
Rises				Roussel	2400	+	160
Commerzbank	263	+	4	Sodexho	4230	+	226
Feldmuehle	493	+	13.5	**Falls**			
Karstadt	683	+	12.2	Bafip	432	−	22.7
Nixdorf Comp.	374.8	+	4.8	C.M.B. Pack.	241	−	15
Falls				**TOKYO (Yen)**			
Degussa	548	−	4.5	**Rises**			
Schering	804.5	−	5	Fumakilla	1160	+	100
NEW YORK ($)				Kawaguchi Metal	1180	+	120
Rises				Nissan Fire	4050	+	350
Coca-Cola	63	+	$\frac{5}{8}$	**Falls**			
Columbia Pic.	$26\frac{3}{8}$	+	$5\frac{1}{4}$	Daiwa Const.	1750	−	130
Falls				Kuribayashi Ship	1890	−	200
Gen. Electric	$55\frac{3}{8}$	−	$\frac{5}{8}$	Shikoku Chem.	1060	−	80
Philip Morris	$155\frac{1}{2}$	−	$2\frac{1}{8}$				
Texas Air	$17\frac{1}{8}$	−	$1\frac{1}{4}$				
AMR	$77\frac{7}{8}$	−	$1\frac{3}{8}$				
PARIS (FFr)							
Rises							
Metrologie	261	+	20.2				
LONDON (Pence)							
Rises				BPB Inds.	262	−	5
ApricotComp.	76	+	8	Brent Chem.	140	−	4
Brit. Telecom	284	+	6	Comm. Union	443	−	6
Bunzl	142	+	5	Comm. Hospital	183	−	15
Caradon	491	+	27	GKN	449	−	4
Carbo	225	+	5	Jaguar	576	−	5
Cosalt	258	+	8	Memec	189	−	28
DRG	595	+	7	Miller(Stanley)	169	−	24
Lucas Inds.	684	+	4	Redland	585	−	5
Tilbury Grp.	618	+	10				
Falls							

US studies BA role in UAL buy-out

By **Roderick Oram** in New York and **Paul Betts** in London

THE US Department of Transportation has launched a study of the buy-out of UAL, parent of United Airlines, focusing in part on the role British Airways proposes to play as a shareholder in the second largest US carrier.

The study, coming just before BA launches a rights issue to fund its UAL stake, heightened speculation in the US and the UK stock markets that the US regulators might force changes in the structure of the $6.8bn UAL buy-out.

Despite the latest initiative by the transport authorities, BA was widely expected last night to go ahead with the launch today of a £300m rights issue of hybrid convertible securities to raise part of its $750m contribution — about 78% of the equity — to the buy-out.

Mr Jeffrey Shane, assistant transport secretary for policy and international affairs, has asked UAL to answer an extensive list of questions on the proposed buy-out by October 10.

Judging by the six-page questionnaire and two page cover letter sent by Mr Shane to Mr Steven Wolf, UAL's chairman, US regulators are increasingly concerned about the influence foreign airlines hope to have on US carriers and about heavy debt loads incurred in buy-outs.

The Transportation Department was trying to "analyse whether the acquisition will affect United's fitness and citizenship," Mr Shane wrote.

The authorities' initiative has cast a cloud over the proposed senior management buy-out. UAL shares fell in New York on worries that the US Government may seek to cut the equity stake BA is planning to take in the carrier. In London, BA shares closed 2p down at 216p.

In return for its 78% contribution, BA will receive a 15 per cent voting stake while UAL's employees will have 75 per cent and management 10 per cent.

US law bars foreign airlines from holding more than 25 per cent, but regulators are worried that if BA contributes the lion's share of the equity it will have influence in UAL's affairs.

The department has expressed similar concerns in the acquisition of NWA, parent of Northwest Airlines. Mr Samuel Skinner, Transportation Secretary, met Mr Al Checchi, leader of the buy-out group, on Friday to give him the department's verdict of the deal.

KLM Royal Dutch Airlines is due to invest $400m, or 57 per cent of the equity in the Checchi group, in return for a 5 per cent voting stake. According to US reports, the Transportation Department is seeking a reduction in KLM's infusion to a maximum of 25 per cent, or $175m.

Representatives of NWA, Mr Checchi and KLM said they would have no comment until the department makes its findings public later this week. KLM said it was still confident the deal would go through although there could be "minor changes."

The department is also likely to enforce a closer review of NWA's activities on a monthly rather than quarterly basis.

Del Monte process food side sold for $1.48bn

By **James Buchan** in New York

RJR NABISCO, the US tobacco and food group which is trying to raise cash to reduce its debt burden, has sold most of its Del Monte processed food business for $1.48bn after Merrill Lynch, the Wall Street investment bank, stepped in to rescue the deal.

The new package, which brings in Kikkoman, Japan's largest soy sauce producer, as an investor, was assembled by Merrill Lynch after the Federal Reserve, which regulates the US banking industry, expressed reservations about Citicorp, a commercial bank, leading the transaction. Small Business Administration Act regulations limit commercial banks' industrial holdings.

The sale of most of Del Monte, one of the world's largest canners of foods, means that RJR has raised $4.9bn in asset sales as part of its plan to pay off the debt taken on its record-breaking $25bn leveraged buy-out. Mr Louis Gerstner, RJR chairman, said yesterday: "The Del Monte transactions bring RJR Nabisco close to completion of our plan to reduce overall debt by $5.5bn."

Under the new arrangement, Merrill Lynch, which was advising Citicorp, will now take the biggest equity stake. An investor group consisting of Merrill, Kikkoman, Del Monte management and Citicorp Capital Investors, an arm of the venture capital organisation, will invest $225m in equity. However, Citicorp will be involved in lending to the deal.

RJR is to hold on to Del Monte's Canadian business and its Venezuelan operation.

● Polly Peck International shareholders have approved the company's $875m acquisition of the Del Monte fresh fruit operations.

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Polly Peck tries on Carmen Miranda's hat

Vanessa Houlder looks at the group's purchase of Del Monte's fresh fruit business and the rapidly changing face of the industry

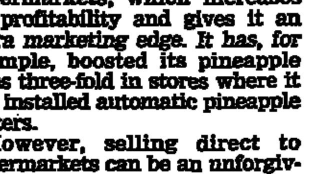
Far-reaching changes to the distribution system for fruit and vegetables, transforming it from a series of small, locally-based businesses to an increasingly international industry, lie behind Mr Asil Nadir's announcement last month that his Polly Peck International will pay RJR Nabisco of the US £557m for the fresh fruit operations of its Del Monte subsidiary.

The signs of change are to be seen on the fruit and vegetable shelves of the local supermarket, where something of a revolution has taken place over the past few years.

Hitherto unknown varieties such as mangos, papaya, fennel and kumquats now jostle for attention with the more traditional types of fruit. Moreover, the days when produce had a season have been swept aside by a wave of imports. Accordingly, the last two decades have seen a six-fold increase in the range of fruit and vegetables, so that now supermarkets often stock some 400 varieties.

This is a worldwide trend according to Mr Tony Millar, chairman of Albert Fisher, a distributor with interests in Europe and the US. "The consumption trends are very similar with more and more international travel. People are exposed to new tastes and are willing to experiment," he says.

Fresh produce counters are the most profitable part of supermarkets, and the increased range —

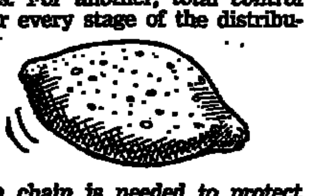


along with the zeal for healthier eating — is pushing up margins and sales. Volumes are growing by an estimated 3-5 per cent each year worldwide, expanding a US market worth $30bn (£19bn), and a European market worth £20bn of which the UK accounts for about £3bn.

Polly Peck, which began 10 years ago by handling produce from citrus groves in Cyprus, now imports from every corner of the globe in an attempt to provide fruit all the year round. Its deal with RJR Nabisco makes Polly Peck the third largest fruit distributor in the world, rivalling the US companies United Brands and Castle & Cooke, which have the Dole and Chiquita brands. Del Monte brings with it 48 per cent of the North American pineapple market and 19 per cent of the North American banana market, both of which are unusually consolidated markets for the fruit industry.

Del Monte is expected to strengthen Polly Peck's position in the North American and Far Eastern markets. In addition, Polly Peck intends to use the Del Monte brand name to enhance margins on its existing products. It points to the US, where it reckons branded products get a 20 per cent price premium over their unbranded counterparts.

But this question of branding is somewhat contentious, particularly where Europe is concerned. "There is a fairly lively debate about the value of branding," says Mr Doug Henderson, fruit director of Geest, the UK fresh produce group. For one thing, there is a tendency among multiples to prefer their own labels, he says. For another, total control over every stage of the distribu-



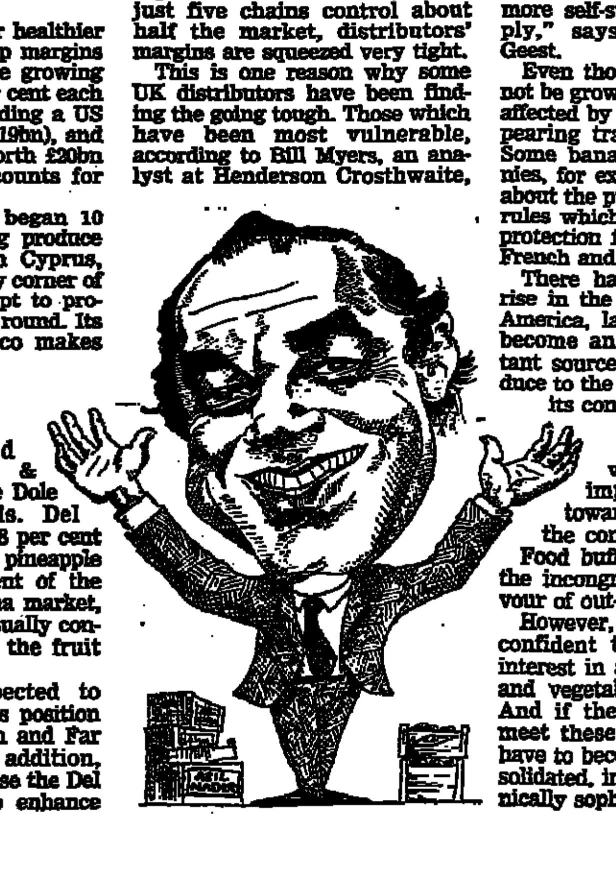
tion chain is needed to protect the quality of the produce.

Polly Peck has integrated the early stages of its distribution chain, but it still relies heavily on wholesalers. In an attempt to achieve a greater degree of vertical integration it has recently bought its own distributors in the Netherlands and Germany.

The experience of Del Monte makes Polly Peck even more eager to bypass the wholesaler. Over the past three years, Del Monte has succeeded in selling 60 per cent of its produce direct to supermarkets, which increases its profitability and gives it an extra marketing edge. It has, for example, boosted its pineapple sales three-fold in stores where it has installed automatic pineapple cutters.

However, selling direct to supermarkets can be an unforgiving business. In the UK, where just five chains control about half the market, distributors' margins are squeezed very tight.

This is one reason why some UK distributors have been finding the going tough. Those which have been most vulnerable, according to Bill Myers, an analyst at Henderson Crosthwaite, have been those exposed to the risks of fruit growing (a bout of disease or frost can decimate profits) and an emphasis on lower margin products, such as apples, oranges, or bananas.



One consequence of the power of retailers and their demands for high volumes and consistent quality is a degree of rationalisation of the fresh produce distribution trade. Given the heavily fragmented nature of the market, acquisitive companies are rapidly able to amass large market shares.

Another side effect of the increasing clout of retailers is that they can demand technical improvements such as temperature-controlled distribution. They also can exert a positive influence by working with producers to improve growing techniques and create a wider range of produce.

The influence of major retailers, however, is not the only factor prompting a change in sourcing patterns. In Europe, these have been affected by the EC and the rise of Spain's fresh produce industry.

Although the climate is a constraint, these factors may result

in more trade within Europe than at present. Europe grows just over two thirds of the fruit which it consumes.

"With the emergence of the EEC and the impact of legislation in Brussels, there is no doubt that the EEC is progressively more self-sufficient in food supply," says Mr Henderson of Geest.

Even those products that cannot be grown in Europe are being affected by the prospect of disappearing trade barriers in 1992. Some banana-exporting companies, for example, are concerned about the prospect of altering the rules which have provided some protection for growers in former French and UK colonies.

There has also been a sharp rise in the importance of South America, largely because it has become an increasingly important source of out-of-season produce to the US, which has tripled its consumption of imported fresh fruit since 1980. It is not clear whether the rise of imports and the trend towards greater variety for the consumer will continue. Food buffs frequently criticise the incongruity and lack of flavour of out-of-season produce.

However, the supermarkets are confident that the consumers' interest in a large range of fruit and vegetables is here to stay. And if the distributors are to meet these demands, they will have to become increasingly consolidated, international and technically sophisticated.

Mérieux raises Connaught offer to C$37 a share

By **Robert Gibbens** in Montreal and **William Dawkins** in Paris

THE BATTLE for control of Connaught BioSciences, the Canadian vaccines producer, intensified yesterday when Institut Mérieux, the French biotechnology company, lifted its offer to C$37 a share cash, valuing the Toronto-based group at C$942m (US$798m).

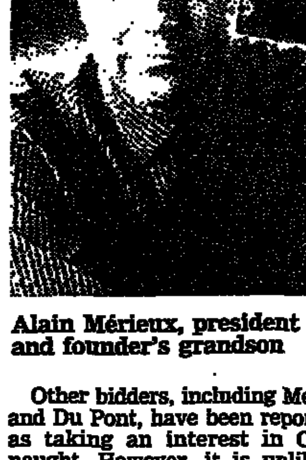
The new bid from Mérieux, which is a subsidiary of state-controlled Rhône-Poulenc, is well above the C$30 cash offered two weeks ago by Ciba-Geigy, the Swiss drugs and chemicals group.

Connaught shares were the most active stock on the Toronto Stock Exchange yesterday morning, jumping C$3¾ to C$37½ by midday. On Thursday Connaught shareholders meet to consider the Mérieux offer, which is pitched at 31 times Connaught's 1988 earnings.

The Connaught board has accepted the new offer on behalf of all shareholders. It replaces an earlier deal with Mérieux involving a share exchange and a spin-off of Connaught's research operations into a Dutch subsidiary.

Mérieux, whose president, Alain Mérieux, is grandson of the founder, is the world's second largest vaccines maker. It has been stalking the Canadian vaccine and bioresearch group for a year. Success would create the world's largest producer in an increasingly global market.

But a takeover is also attractive for Ciba-Geigy, which launched its C$764m bid jointly with Chiron, a small Californian biotechnology company. Chiron has several collaborative research programmes with the Swiss concern.



Alain Mérieux, president and founder's grandson

Other bidders, including Merck and Du Pont, have been reported as taking an interest in Connaught. However, it is unlikely that a new bidder would emerge at this stage, as the Mérieux bid seems designed to shut out any opposition.

Both Ciba-Geigy's bid and the latest Mérieux offer contain guarantees to maintain Connaught's operations in Canada and expand them. The fate of Connaught has aroused nationalistic feelings in Canada, and this week a University of Toronto court action trying to halt the sale of Connaught is due to be heard.

The university, a long-standing shareholder, argues that Connaught must remain Canadian-controlled under previous agreements.

Hays whets investors' appetites with 30% profit rise

By **Andrew Hill** in London

HAYS, the UK business services group, yesterday heralded its imminent stock-market flotation by unveiling a 30 per cent rise in operating profits — up from £40.4m to £52.7m ($83.3m) in the year to June 30, before interest and exceptional items.

Pre-tax profits increased 16 per cent to £34.4m, against £29.6m in 1987-88. Turnover rose from £512m to £596m.

The Hays issue price will be announced on October 11 and dealings in the shares will begin on October 26. To whet investors' appetites, Hays has produced a "pathfinder" prospectus — a draft document with the crucial figures blobbed out.

Hays, which dates back to the 17th century, owns a range of service companies, from Rentacrate, which hires equipment for office removals, and the parcel carrier Data Express, to Accountancy Personnel, the specialist employment agency.

The flotation is expected to raise between £150m and £200m. Some 10 per cent of the Hays shares will be reserved for preferential applications by the group's 5,000 employees, and certain executives will be granted options over a further 1.5 per cent of the group's capital.

The company lost its original stock-market listing in 1980 when it was taken over by a Kuwait Investment Office subsidiary. Two years ago Hays was the subject of a £254m buy-out from the KIO by the current management.

The October flotation should value the company at between £400m and £450m.

Hays is still burdened with residual debt from the buy-out, and the pathfinder prospectus shows that the group has a negative net worth of £49.7m. The issue proceeds should erase that and substantially reduce interest charges, which increased from £6.9m to £18.3m in the year to June 30.

A property revaluation has already improved the balance sheet, realising a surplus of £37.3m over book value.

In 1988-89, specialist staff recruitment agencies returned operating profits of £19.4m, up from £15.6m, while specialised distribution made £23.7m against £17.9m last time. Office support services increased operating profits from £6.9m to £9.6m.

Mr Lionel Stammers is to join the Hays board as non-executive director, a position he holds at BTR and McKechnie.

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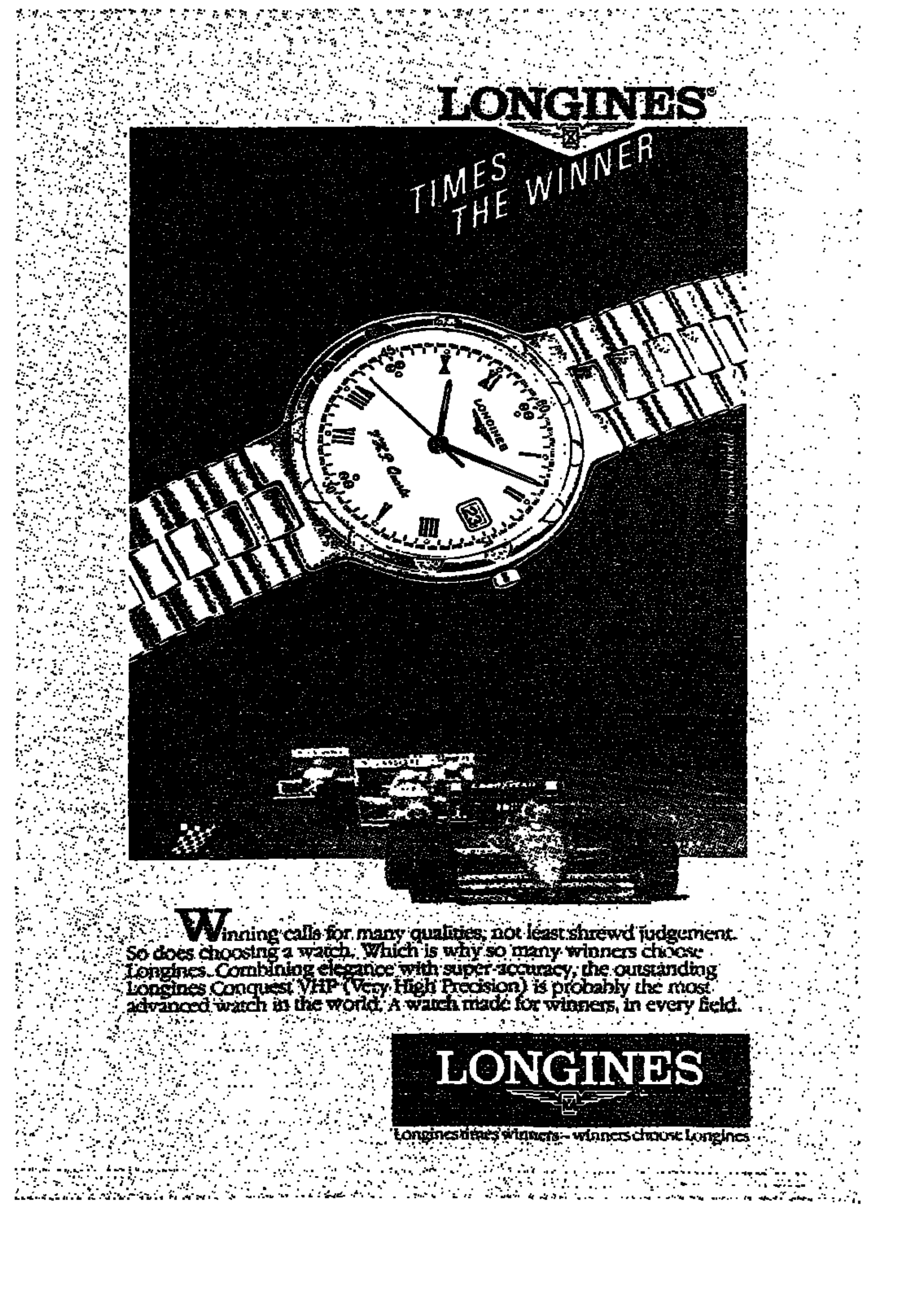

Alusuisse sees full-year earnings climbing by 40%

By William Dullforce in Geneva

ALUSUISSE, the Swiss aluminium and chemicals group, expects consolidated net earnings before extraordinary items to climb by more than 40 per cent to over SFr450m ($268m) this year.

With the extraordinary account also showing a profit, the parent company is forecasting an earnings increase of around 50 per cent. The board indicated yesterday that shareholders could expect a higher dividend than the 8 per cent (6 per cent plus 2 per cent bonus) disbursed last year, when Alusuisse resumed dividend payments after a three-year lapse.

The Zurich-based group returned to profit in 1987 after suffering losses totalling SFr1.3bn in 1985 and 1986. A management shake-up, a corporate restructuring, a shift in emphasis from the manufacturing of primary aluminium to specialty products of higher added value and a programme of acquisitions brought about the recovery.

Yesterday Alusuisse posted a 23 per cent increase in first-half sales to SFr3.55bn and a 72 per cent surge in cash flow to SFr500m. Due to the relative weakness of the Swiss franc, the currency factor has been important; in local currencies the turnover increase was just under 16 per cent.

Sales in the aluminium division grew by 19.4 per cent to SFr2.38bn while turnover climbed by 30.9 per cent to SFr1.16bn in the chemicals division. All business units, except plastics, contributed to the rise in earnings.

For the year, Alusuisse forecast a 15 per cent increase in group sales to SFr6.9bn and a cash flow of more than SFr850m against last year's SFr658m. The cash flow would finance large investments and acquisitions and bring about a further improvement in the group's self-financing ratio.

Mr Hermann Haerri, executive vice president, said 1989 was an exceptional year, with economic conditions, aluminium prices and exchange rates combining to effect a favourable result.

A repetition of this year's result was unlikely in 1990. However, the group could experience another good year if economic growth continued, even at reduced rates.

Alusuisse expects to complete by the end of the year the sale of Consolidated Aluminium Corporation, the US unit that manufactures semi-finished products and aluminium foil. Conalco has annual net sales of around $400m and returned to profit in 1987.

Purchase in US helps Pechiney double profits

PECHINEY, the French state-controlled metals group, has more than doubled first-half net profit, partly reflecting the first-time consolidation of American National Can, its US packaging unit, reports AP-DJ.

Consolidated net profit after minorities was FFr1.73bn ($243.4m), up from FFr744m a year earlier.

Revenues rose 83 per cent from FFr24.35bn to FFr44.69bn, over FFr14bn of which was attributable to the US purchase.

Operating profit climbed 83 per cent to FFr4.82bn from FFr2.49bn.

Consolidated net profit for the whole of 1988 was FFr2bn on revenue of FFr51.31bn.

Asko to sue

Asko, the West German retailer, is to sue Ahold, the Dutch retailer, over the cancellation of co-operation talks between the two, Reuter reports. Ahold broke off the talks on August 23 after Asko bought a 12 per cent stake in Dutch group.

UBS subsidiaries improve sharply

By William Dullforce in Geneva

UNION BANK of Switzerland's subsidiaries in London, New York and Tokyo are still not generating profits, but they are showing a sharply improved earnings trend, Mr Robert Studer, president of the UBS Executive Board, said yesterday.

In London, where earlier this year UBS announced that it had made losses totalling £115m ($184m) on its Phillips and Drew subsidiary since April, 1987, the performance was negative in the first half, but greatly improved.

UBS Securities in New York was close to the break-even point and the Tokyo operation had been slightly in the red as the result of extremely difficult market conditions. The banking subsidiary in Frankfurt was still below break-even.

Nevertheless, Mr Studer said that, based on the first-half figures and the business trend in July and August, UBS could well report record-high results at the end of the year, provided no major setbacks materialised on financial markets. Very positive earnings were being generated.

Last year Switzerland's biggest bank posted consolidated net earnings of SFr778m ($463m) and paid shareholders an unchanged dividend of SFr120 per bearer share and SFr24 per registered share.

Mr Ulrich Grete, executive vice-president, said the goal of reaching break-even on the investment banking operation in London by 1990 was capable of being achieved.

● The 72 per cent stake acquired by UBS in June in the newly created holding company for Nissan UK's dealer and financial operations was not intended to be a long-term investment for the bank, Mr Grete said yesterday. UBS had already been approached by potential buyers.

The purchase had been effected by UBS (Luxembourg) because legal complications prevented it being done from London and Swiss Federal stamp duty made it impossible to do it from Switzerland.

Bond faces suspension over timing of accounts

By Our Financial Staff

BOND Corporation Holdings faces a suspension of its shares from trading on the Australian Stock Exchange in October because it cannot produce its annual accounts on time.

The company said in a statement that it cannot meet the Australian Stock Exchange (ASX) September 30 deadline to lodge its profit and loss statement for the year to June 30, or the October 31 deadline for its annual accounts, and has applied for an extension.

Bond said it made the statement "with a view to maintaining an informed market."

Mr Simon Cato, the listing manager of the Perth Stock Exchange, said Bond would face automatic suspension from trading boards if it failed to supply the information within 16 working days of it falling due. Mr Cato said he did not believe the exchange had ever granted an extension.

Bond Corporation acknowledged that it was aware there was no provision for extensions to be granted within the ASX listing rules.

Inquiries by the National Companies and Securities Commission (NCSC) and the ASX had diverted management time from preparing the financial statement and accounts for its latest financial year, Bond said. The delay affected Bond Corporation and other publicly listed companies within the group.

Bond did not name the other companies, but its subsidiaries Bond Media and Bell Group also have June 30 balance dates. The NCSC is studying dealings involving Bond Corporation, its 58 per cent-controlled Bell Resources and Bond International Gold.

Bond said the inquiries into what the NCSC says involve suspected "offences" by Bond group officials were doubly inconvenient, since they are based in Melbourne.

● Harlin Holdings, the private investment arm of Mr John Elliott, the Elders IXL chairman, and his associates, now holds over 50 per cent of Elders, under the terms of its $3.00 a share takeover offer which closes tomorrow, a Harlin official says.

Lomas files for protection as debt negotiations fail

By Anatole Kaletsky in New York

LOMAS FINANCIAL, the Dallas-based real estate and financial services business which was until a few years ago the largest mortgage banker in the US, has filed for Chapter 11 bankruptcy protection after the failure of a three-month effort to renegotiate its crushing debt burden of over $2bn.

Lomas's troubles began in early 1987 as it became apparent that it was being hard hit by the collapse of the Texas property market.

The company's main problems, however, were due not to direct real estate investment, but to the declining number of mortgages it was able to originate through its relative high-cost mortgage banking network.

The rise in interest rates from 1986 onwards had a particularly marked effect on Lomas business because it specialised in refinancing existing mortgages.

Sunday's bankruptcy filing meant the suspension of payments on $1.3bn of bank debt and senior notes, $185m in senior real estate debt and $700m of publicly traded junk bonds. The company's junk bonds were trading yesterday at less than 40 per cent of their face value.

Lomas equity, which peaked at almost $40 a share in early 1987, fell $1 to $2¼ in Wall Street trading yesterday morning.

However, Mr Jess Hay, the company's robust chairman, remained unbowed. "Although the senior creditors will be momentarily disrupted, there really is no question in my mind that we will emerge in a relatively short period of time from Chapter 11 with a plan not only to provide 100 per cent payment for all creditors but also with our equity firmly intact," he was quoted as saying.

Lomas declared bankruptcy after two of its bank creditors refused to go along with a restructuring plan involving the senior debt. Among the key elements of the plan was to have been the sale of a profitable commercial leasing unit, Equitable Lomas Leasing. The company had hoped to raise about $300m through this transaction and use the money to pay down its senior debt.

Several Lomas operating subsidiaries, including the company's mortgage banking and commercial leasing subsidiaries, were unaffected by the bankruptcy filing. The only operating business to have been put into bankruptcy along with the holding company was Lomas Realty USA, the company said.

TI and IBM in automation pact

By Louise Kehoe in San Francisco

TEXAS INSTRUMENTS, the US electronics manufacturer, has joined forces with International Business Machines in an effort to boost sales of automated manufacturing systems to the electronics industry.

The companies have agreed to pursue jointly large-scale automation and manufacturing contracts involving computer-controlled electronics manufacturing plants.

TI will serve as the systems integrator, providing engineering and product design, while IBM will supply computer equipment including industrial, personal and area computers and links to corporate and mainframe systems from the factory floor.

The partnership, which is the first such agreement between TI and IBM, reflects a trend towards alliances between leading computer manufacturers and suppliers of automated production equipment.

Both TI and IBM have invested heavily in computer integrated manufacturing over the past few years, although the CIM market in the US has been slow to develop.

"In general, manufacturers have focused upon automating portions of their operations, rather than full-scale automation," said Mr David Penning, a Dataquest analyst.

Both TI and IBM had become more aggressive in the automation market, he added, and their partnership reflected a determination to jump-start the market for CIM.

Philips Industries to be sold for $750m

By Our Financial Staff

PHILIPS INDUSTRIES, a Dayton-based manufacturer of components for the building and transportation industries, is to be acquired by MLPI Holdings, a new company formed by Merrill Lynch, for $35.50 per share, or a total of about $750m.

The company, said Mr Jesse Philips, Philips chairman, supported the transaction.

Philips, unconnected with the Netherlands electronics multinational, said the merger was subject to approval by the holders of a majority of its shares and to the arrangement of financing.

It said MLPI has received commitments from Merrill Lynch for up to $250m of subordinated debt and from Merrill Lynch's Merrill Lynch Capital Appreciation Fund II affiliate for up to $150m of equity.

Philips said that under the merger agreement its board may provide information to other parties in response to unsolicited requests and may participate in merger or asset sale negotiations.

Mr Jesse Philips said the company and his foundation together owned 1.8m of Philips's 28.8m shares. Philips has annual sales of about $700m.

Rockwell pulls out of N-plant contract

By James Buchan in New York

ROCKWELL, the California defence contractor, is pulling out of its contract to run the Rocky Flats nuclear weapons plant for the US Government, alarmed at the threat of criminal prosecution for the way it has handled perilous waste from the plant.

The decision to pull out, which was agreed with the Department of Energy late last week, is unprecedented in the history of the giant US nuclear weapons industry. But the decision frees Rockwell from what it believes is an intolerable dilemma over the running of the plant. Rockwell's fee is thought to have been at best a modest $10m a year.

The plant, which makes plutonium triggers for nuclear bombs at a site near Denver, Colorado, will now be run by EG&G, a Massachusetts-based contractor which already manages three plants in the far-flung nuclear weapons programme. The company said yesterday that it had been indemnified by the Energy Department, which administers the programme, against damage and prosecution.

Rockwell's departure, which marks the first time a contractor has quit a bomb plant in the middle of a contract term, comes after a year of deteriorating relations with the Energy Department over safety and environmental practices at the plant.

But Rockwell's departure became inevitable only last week when the company sued the Energy Department and other government agencies. Rockwell claimed in the suit that it was being placed in an impossible position by an intra-governmental feud.

Rockwell said its problem was that it faced prosecution under laws administered by the Environmental Protection Agency unless it stopped producing the radioactive and toxic waste that was an inseparable part of the production process.

But if Rockwell shut down the plant, the company said it would be sued by the Energy Department for breaking its contract.

September, 1989

T.M.O.

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U.S. $ 50,000,000

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(a private company incorporated with limited liability under the laws of Chile)

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IFC

June 1989

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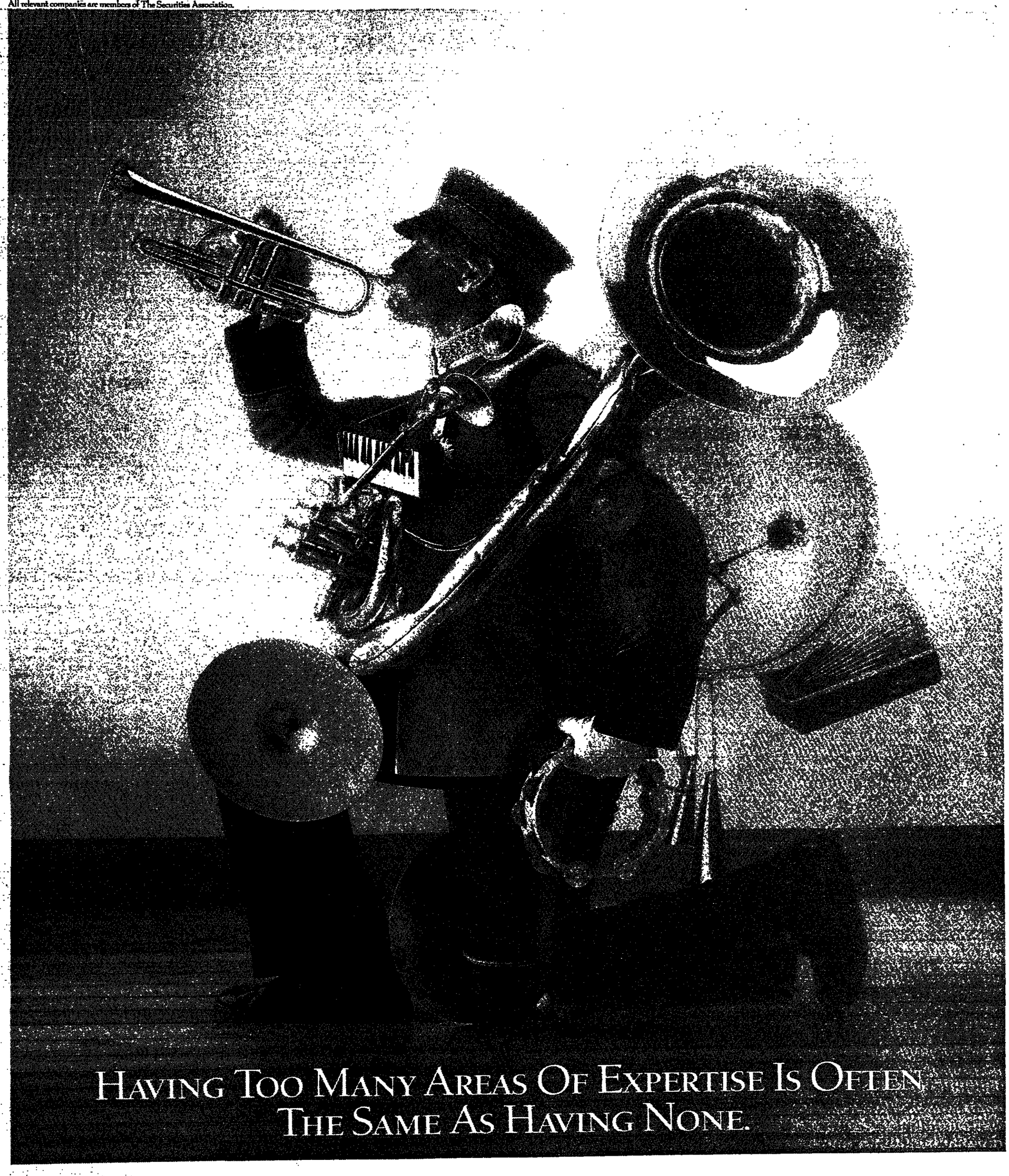

HAVING TOO MANY AREAS OF EXPERTISE IS OFTEN THE SAME AS HAVING NONE.

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While other investment houses have been busy diversifying, Security Pacific Hoare Govett has concentrated on building an integrated team of experts to work in select areas: UK and International Equities, Corporate Finance, Interest Rate and Currency Risk Management and Specialised Banking. Areas in which we've gained a reputation for excellence.

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IT TAKES AN EDGE

Interim Report Highlights 1989

Hongkong Land

- Profit after taxation + 43%
- Earnings per share + 41%
- Dividends per share + 23%

- Portfolio 99% leased.
- HK$2 per share paid to shareholders in corporate restructuring.

"HongKong Land's portfolio is almost fully leased and, with supply still limited, the prospect for positive rental reversions both this year and next year is encouraging. The rate of earnings growth in the second half of the year will be lower, due to the interest cost of the HK$2 per share paid to shareholders in May. Nevertheless, we expect results for the full year to show a very satisfactory increase."

SIMON KESWICK, *Chairman*
Hong Kong, 22nd September 1989

HALF YEAR RESULTS

Six months ended 30th June (unaudited) HK$	Interim Results 1989	1988	Annual Results 1988
Profit after taxation	767m	536m	1,217m
Earnings per share	30.1¢	21.4¢	48.3¢
Dividends per share	16.0¢	13.0¢	38.0¢

The share registers will be closed from 6th to 17th November 1989, both days inclusive. Share certificates must be lodged with the Company's Registrars by 4:00 p.m. on 3rd November 1989.

CENTRAL TO HONG KONG SINCE 1889

Hongkong Land Holdings Limited
Incorporated in Bermuda with limited liability
One Exchange Square, Hong Kong
Telephone: 5-8428428 Facsimile: 5-8459226
Telex: 75102 LANDS HX

A member of the Jardine Matheson Group

Interim Report Highlights 1989

Jardine Matheson

- Profit +41%
- Earnings per share +44%
- Dividend +24%

- Substantial profit growth from all major businesses
- Further growth expected

"The significant increase in profit in the first six months is unlikely to be repeated to the same extent in the second half, due partly to the slowdown in tourism and consumer spending in Hong Kong, following the recent events in China. The broad functional and geographic spread of the Group's businesses should, however, enable a satisfactory rate of profit growth to be maintained and the outlook for the full year is most encouraging."

HENRY KESWICK, *Chairman*
Hong Kong, 25th September 1989

HALF-YEAR RESULTS

	(Unaudited) Six months ended 30th June 1989 HK$m	1988 HK$m	Year ended 31st December 1988 HK$m
Turnover	6,937	6,077	14,817
Profit after taxation and minority interests	634	450	1,113
Extraordinary items	260	—	(33)
Profit attributable to shareholders	894	450	1,080
Dividends	(131)	(105)	(404)
	763	345	676
	HK$	HK$	HK$
Earnings per share	1.14	0.79	2.04
Dividends per share	0.21	0.17	0.65

Jardine Matheson Holdings Limited
Incorporated in Bermuda with limited liability
Jardine House, Hong Kong Telephone: 5-8436388 Telex: 73255 JMGHO HX Facsimile: 5-200512

INTERNATIONAL COMPANIES AND FINANCE

Italian insurer spreads its wings

Alan Friedman explains the ambitions of the state-controlled INA

Professor Antonio Longo does not like people to say that he is mounting a "rescue" for Banca Nazionale del Lavoro (BNL), the scandal-ridden Italian bank which is soon to receive $1.4bn of fresh capital, most of it from INA, the state insurance concern that he chairs.

"BNL doesn't have any liquidity problems. We are just helping them to bolster their capital ratios," says Prof Longo, a 63-year-old actuary from Piedmont.

He is keen to explain his strategy for INA, a state concern that is little known outside Italy in spite of the fact that it had 1988 premium income of more than L3,000bn ($2.14bn).

INA – which stands for the Istituto Nazionale delle Assicurazioni – was founded by royal decree in 1912. The insurance group, which three years ago floated 40 per cent of the shares of its Assitalia subsidiary on the Milan Bourse, is not owned by the Treasury, as is the case with BNL.

INA has no direct juridical shareholder, although it does come under the supervision of the Ministry of Industry in Rome and ISVAP, the Italian insurance watchdog authority. Some 50 per cent of INA's profits go to the Treasury which guarantees the company's policies.

Prof Longo, a sometime lecturer in mathematics and finance who took over the leadership of INA in 1979, is a member of the board at BNL because INA owns a 12 per cent stake of the bank. INA was planning to subscribe a BNL rights issue even bef ore the eruption of the bank's scandal over $3bn of unauthorised Iraqi loan commitments.

INA had previously agreed to put up L400bn, a sum that was to have been matched by INPs, the state pension fund that owned 8.4 per cent of BNL.

This combined L800bn injection will now go ahead, boosting INA's shareholding in BNL to 20 per cent, that of INPs to around 15 per cent and at the same time diluting the state's control of BNL from 74.5 per cent to less than 60 per cent.

The second phase of the BNL recapitalisation will see INA supplying the bank with a seven-year L1,200bn subordinated loan at an interest rate that is likely to be higher than 13.20 per cent.

The INA debenture for BNL will be considered as capital for supervisory purposes although it is not convertible into equity.

Together with the L800bn of rights issue money, the subordinated loan will bring a total L2,000bn of fresh capital to BNL, which at present has a capital base of around L4,500bn.

Of BNL Atlanta's $3bn of loan commitments some $1.85bn has already been disbursed, but only $706m is covered by guarantees from the US Commodity Credit Corporation (CCC).

But what of INA? What does Prof Longo get in return for committing $1.1bn of BNL's $1.4bn recapitalisation?

"In the first place," Prof Longo explained, "we get a good deal because the interest paid on the subordinated loan is much higher than what we could earn otherwise. But our BNL stake is also a strategic investment and our goal is to integrate our insurance products with BNL's distribution network while we at INA might eventually sell other financial services products supplied by the bank."

INA's goal is to integrate its insurance products with BNL's distribution network. INA might eventually sell other financial services products supplied by the bank.

INA is not poor. The state insurer had a 1988 operating cash flow of L2,800bn and enjoyed combined premiums from Life (INA) and Accident (Assitalia) of L3,025bn. Prof Longo points out that his organisation has 200 agents and 2,800 sub-agents up and down the Italian peninsula while BNL has 400. "Together we have an excellent distribution network," Prof Longo says.

The INA chief says the Iraqi scandal demonstrates clearly the painful inadequacy of the bank's internal controls. He adds that central management of BNL is in urgent need of a reorganisation. This matter will be the responsibility of Mr Giampiero Cantoni, the incoming chairman, and Mr Paolo Savona, the new director general.

INA is undoubtedly a wealthy and well managed insurance group with 3,300 employees, net capital of L1,269bn, technical reserves of nearly L8,800bn and even a couple of insurance stakes abroad such as 12.5 per cent of West Germany's Nuernberger Leben and 70 per cent of France's Camat.

The manoeuvres over BNL's future ownership are, however, by no means finished, and at least some of Prof Longo's aspirations could be affected by decisions that have not yet been taken or announced. For the time being, therefore, INA is a generous, willing and able supplier of fresh capital for BNL. As for the rest of the scenario, that remains very much to be seen.

Coors in $425m deal with Stroh

By Roderick Oram
in New York

ADOLPH COORS Company of Colorado is to buy most of the brewing assets of Stroh Brewery in an effort to secure its position as a national force in a beer market dominated by Anheuser-Busch and Philip Morris.

Coors and Stroh, both family-owned breweries, have been courting each other for months since the Detroit-based company decided to quit the beer business rather than try to reverse its declining fortunes.

Other brewers interested in buying Stroh included Heileman, the struggling fifth-placed producer owned by Mr Alan Bond of Australia.

Coors will buy all Stroh's brands, such as Schlitz and Old Milwaukee and five of its seven breweries for $425m in cash and the assumption of some Stroh's debt. Stroh will retain its shareholding in Cruz del Campo, the largest brewer in Spain, and non-beer businesses.

Stroh's US market share plunged 10 per cent in the first half of this year to third place at 10.9 per cent, according to Beer Marketer's Insight, the leading industry newsletter. Coors' share slipped 1 per cent to fourth place at 8.8 per cent.

Coors will also be tackling a different brewing technology at the Stroh's plants than its non-pasteurised process which has brought it national fame. It has kept a tight hold on its quality by producing beer only in Golden, a town in the front range of the Rockies west of Denver. It is the largest single brewery company in the world.

"The acquisition of these brands and facilities will make us a strong competitive number three," said Mr Rob Klugman, Coors vice president of development.

Mr Peter Stroh, whose great-grandfather established the brewery in Detroit in 1850, said Coors was the most appropriate brewer to continue the Stroh legacy.

Trelleborg buys mining company in US for $60m

By Robert Taylor
in Stockholm

TRELLEBORG, the Swedish industrial conglomerate, has bought through its international mining company Boliden a mining business in Maine for $60m from Chevron Resources.

This is only a week after Trelleborg acquired 50 per cent of the ownership of Falconbridge, the world's second largest nickel producer. The company, Bald Mountain, is involved in open-cast mining in copper, zinc and precious metals.

A special company, Boliden Resources, has been established to run the new concern with its head office in Portland, Maine.

"This is a further step we have taken to achieve a better balance between production costs in different products as well as to protect ourselves from the great uncertainties over future energy sources and costs which Swedish basic industries are being forced to live with," said Mr Kjell Nilsson, a Trelleborg executive with special responsibility for mining and metals.

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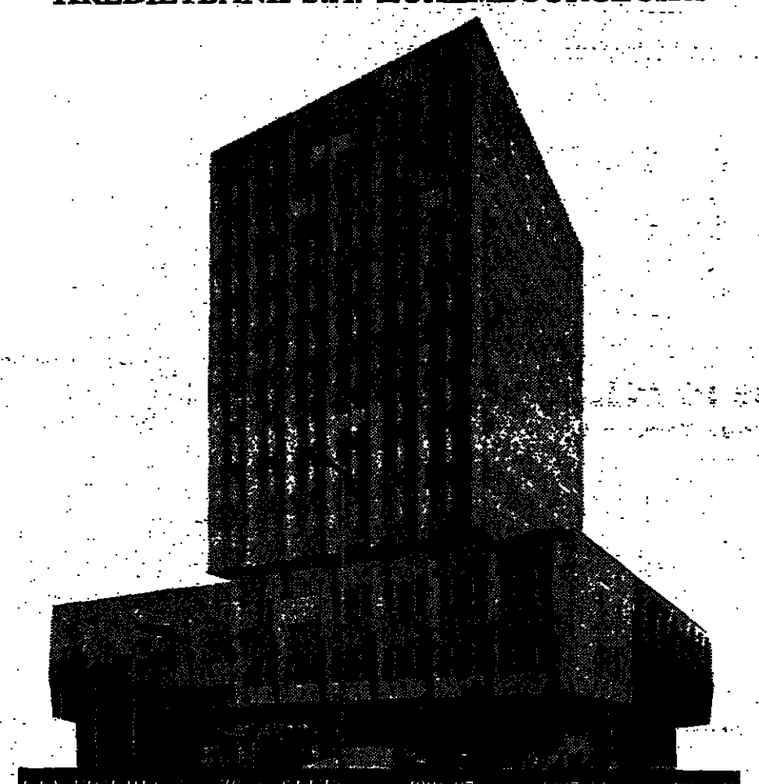

KEY FIGURES (in billion of LUF)	1986 87	1987 88	1988 89
Total balance sheet	255.866	285.941	331.707
Customer deposits	148.968	177.791	218.724
Capital and reserves *	10.019	9.724	10.552
Provisions	11.561	14.014	16.057
Net profit	829	1.122	1.380

* *including profit brought forward; after distribution of profits*

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To obtain our Annual Report and our Private Banking brochure, simply address your request to our Marketing Department.

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Jordan reels from another banking blow

Andrew Gowers on the consequences for Amman of financial irregularities at Petra Bank and Jordan Gulf Bank

As if they did not already have enough economic problems to contend with, the Jordanian authorities have recently been struggling to defuse a home-grown financial crisis which has dealt yet another blow to fragile confidence in the country's banking system.

In Amman and in Washington, officials of Jordan's Central Bank are picking over the affairs of Petra Bank, the kingdom's third-largest bank, and a smaller institution, Jordan Gulf Bank, both of which are now under government control following the discovery of financial irregularities. Mr Ahmad Chalabi, Petra's chairman, has left the country amid threats of legal action, and its chief currency dealer is in jail.

The Government, which plans to merge the two banks, is worried about how much it will end up having to fork out – whether in local currency or precious foreign exchange – to support them. And foreign bankers are left wondering whether they are in for any more shocks from Jordan's notoriously overcrowded banking market.

The saga began on August 3, when the Government's Economic Security Committee used martial law regulations to announce it was taking over the two banks and merging them to "meet the requirements of international banking transactions." A new management committee, chaired by Mr Walid Asfour, a former trade and industry minister, was appointed to replace the bank boards and Petra executives were barred from leaving the country.

While the rest of Amman's financial community was not completely surprised to discover that Petra Bank had problems, it was stunned by the Government's move, for which no detailed explanation was given. Immediately after the announcement, there was a run on both Petra and Jordan Gulf and interbank lines were severed, prompting the Central Bank to pump in an estimated JD100m ($164m) to keep the two institutions liquid.

Mr Ali Sarraf, Petra's chief dealer, was arrested trying to board a flight for London, apparently carrying bank documents. Mr Chalabi left the country last month – on holiday, as he later claimed, while protesting his innocence. "No one told me I was banned from leaving," he explained to international news agencies.

The Economic Security Committee, insisting that Mr Chalabi had left the country by "illegitimate means," added: "We put Chalabi on the supervisory committee to give him a chance to co-operate with the new management and disclose the bank's troubles, but he chose to run away from his duties and leave the country illegally."

The style of the chairman's exit was astonishing to ordinary Jordanians. In the 12 years since he founded the bank, Mr Chalabi, scion of a wealthy Iraqi Shia family, had developed a reputation not only for his commercial ambitions but also for his high-level political contacts.

Petra's expansion was aggressive: during Jordan's ill-fated economic boom in the early to mid-1980s, it lent widely to the private sector at uncomfortably competitive spreads, notably in connection with trade to Iraq, and launched a pioneering credit card operation. By 1987 – the last year for which a balance sheet has been published – its assets of JD291m ranked it third in the country, behind Arab Bank and the specialist Housing Bank.

The Chalabi family maintained a stake in two other banks – Jordan Gulf and Cairo-Amman – as well as in an investment company and many other businesses in Jordan. Abroad, they set up banks in Lebanon and Switzerland under the name of Mepco and a subsidiary, Petra International, in Washington.

Many bankers had harboured suspicions about Petra since a minor run on the bank two years ago. In particular, they worried about the solidity of its loan portfolio, some 30 per cent of which was invested in companies where it had a stake of 10 per cent or more, and its currency trading activities, in which it worked closely with an informal network of money changers now virtually closed down by the Government. Senior officials at the central bank were also undoubtedly aware that something was wrong.

One local banker says he repeatedly discussed the issue with the central bank in the first few months of this year and that twice warned Mr Zaid Rifai, the former Prime Minister, that Jordanian banking regulations were being violated. A member of the new management committee adds: "Petra Bank survived for four years on the fringes of the law and through its loopholes. It committed many unorthodox banking transactions."

What seems to have brought the problems to a head is the foreign exchange crisis Jordan has suffered during the last year.

When the free-market value of the dinar plunged last autumn, it was common knowledge in Amman that Petra Bank was among the most active purchasers of dollars. Yet when the central bank – now under firm new management – sought to enforce a requirement on banks to deposit 35 per cent of their foreign exchange holdings with it as part of its efforts to prop up the currency, Petra was unable to comply. One of the authorities' aims in taking over the two banks was probably to assert their control over the currency.

However, examination of the books appears to have revealed a much more complex mess, stretching from Amman to Washington. The management committee, which has engaged accountants Arthur Andersen for the task, is not prepared to give details until efforts to verify the bank's assets and liabilities are complete. However, two central preoccupations have emerged:

- The need for provisions against likely loan losses in Jordan. It remains unclear whether the central bank, which has promised to honour the "legitimate commitments of the two banks," will be forced to inject capital and, if so, how much.
- The international network, and in particular the Washington subsidiary, in which Mr Chalabi's brother Talal has a 30 per cent stake. A senior central bank official is in Washington examining Petra International, which is reported to have been a principal outlet for the Amman parent's foreign currency holdings. Depending on the use to which that money was put, the central bank may find itself also faced with liabilities in foreign exchange, at a time when it can ill afford to spare any.

No one in Amman doubts that decisive action was needed to save Petra Bank from itself. As one foreign banker put it: "If Petra Bank had gone down, it would have added one hell of an economic shock on top of the foreign exchange disaster."

However, the almost universal question is why nothing was done to rein Petra in before – a question that many observers answer by pointing to Mr Chalabi's friends in high places, including within the central bank.

It is already abundantly clear that these friends did not include Dr Mohammad Said Nabulsi, the widely respected new central bank governor. Since being reappointed to the post in May, he has asserted his institution's independence and taken a firm grip on exchange rate policy. The Petra Bank issue may prove to be an equally important credibility test.

However, independent banking analysts believe that in acting swiftly last month, the central bank has contained the problem. "The banking system itself seems to be in reasonable shape," says Mr Ramin Habibi, chief economist at Capital Intelligence, the Cyprus-based bank rating agency. Jordanian banks generally "are pretty liquid and conservative – even dull."

Ultimately, assuming the immediate financial difficulties can be overcome, the effects could even turn out to be salutary. Dr Nabulsi wants to strengthen the Jordanian financial sector by encouraging some of the 13 local banks to merge. The Petra debacle might be just the sort of jolt the system needed.

Jardine Matheson profits rise to HK$634m halfway

By Michael Murray in Hong Kong

JARDINE MATHESON Holdings, the Hong Kong-based conglomerate at the centre of the Keswick family's business empire, has reported profits after tax and minorities of HK$634m (US$81.6m) for the six months to June. It experienced strong performances throughout its wide range of businesses, from property and retailing to financial services and trading.

Extraordinary items arising from the first-half sale of the Asian 7-Eleven convenience store businesses to Dairy Farm amounted to HK$260m, boosting attributable profits to HK$894m, while turnover rose by 14.7 per cent to HK$6.937bn.

Mr Henry Keswick, Jardine Matheson chairman, said in a statement that the significant increase in profits was unlikely to be repeated in the second half, due partly to the slowdown in tourism and consumer spending in the territory following the recent unrest in China. However, he said the broad range and geographical spread of the group's businesses meant the full-year outlook was still encouraging.

Within the group motor sales were buoyant, with distributors Zung Fu, who have the lucrative Mercedes franchise in Hong Kong, registering a 121 per cent increase in profits. In the engineering and construction sector Gammon's performance was encouraging, despite continuing difficult market conditions in Hong Kong.

Mr Keswick said that Jardine Insurance Brokers performed well to increase its earnings in a market continuing to suffer from oversupply and Jardine Fleming again achieved good results in all its operations.

Three separately listed operating companies within the Jardine Matheson Group, retailer Dairy Farm, property company Hongkong Land and hotel owner and operator Mandarin Oriental, all recently reported healthy increases in their own first-half earnings, up by 26 per cent, 43 per cent and 31 per cent respectively over the same period in 1988.

Jardine Matheson has declared an interim dividend of 21 cents per share, up from 17 cents at the halfway stage last year.

Secom unit to buy HMSS

By Our Financial Staff

SECOMERICA, a unit of Secom, the Tokyo-based company which specialises in security-related services and last year began providing emergency medical services in the US, is to acquire the Houston-based HMSS for $50 a share, or about $250m.

HMSS specialises in in-home administration of intravenous medications, nutrients and fluids, which Secomerica described as "the fastest-growing segment" of the US healthcare services industry.

Secom is expected to finance the transaction in cash, with probably "some borrowings." It is thought Secomerica will begin a tender offer this week for outstanding HMSS shares.

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THE NAME BEHIND THE NAMES

European Investment Bank
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June 1989

WPP Group plc
Joint broker arranging sub-underwriting of the rights issue of convertible preference shares, raising £214m as part of the purchase consideration for the Ogilvy Group Inc.
June 1989

SPEYHAWK PUBLIC LIMITED COMPANY
Placed £20m of cumulative redeemable preference shares 2014.
May 1989

BALTIC PLC
Arranger and dealer on £50m Sterling Commercial Paper Programme.
August 1989

BRITISH ASSETS TRUST
Placed £150m of equities index unsecured loan stock 2003.
April 1989

CARLTON Communications Plc
Joint broker to Carlton in the £508m acquisition of UEI.
July 1989

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In accordance with the provisions of the above Notes, notice is hereby given that for the three months from 20 September 1989 to 20 December 1989, the Notes will carry an interest rate of 14⅛% per annum.

The interest payable on each £5,000.00 and £50,000.00 Note on the relevant interest payment date, 20 December 1989, against Coupon 18 will be £177.64 and £1,776.37 respectively.

Agent Bank: Lloyds Bank

FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Monday, September 25, 1989. In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. *In some cases market rates have been calculated from those of foreign currencies to which they are tied.*

COUNTRY		£ STG	US $	D-MARK	YEN (X 100)
Afghanistan	(Afghani)	99.25	61.7034	32.3817	43.2461
Albania	*(Lek)*	10.2917	6.3983	3.3578	4.4844
Algeria	(Dinar)	13.2061	8.2101	4.3086	5.7542
Andorra	(Fr Fr)	10.3775	6.4516	3.3858	4.5217
	(Sp Peseta)	191.25	118.8995	62.3980	83.3333
Angola	(Kwanza)	47.5340	29.5517	15.5086	20.7119
Antigua	(E Carr $)	4.3484	2.7033	1.4187	1.8947
Argentina	(Austral)	1050.95	653.3727	342.8874	457.9302
Aruba	(Florin)	2.8828	1.7922	0.9405	1.2561
Australia	(Aus $)	2.0417	1.2693	0.6661	0.8896
Austria	(Schilling)	21.565	13.4069	7.0358	9.3965
Azores	(Port Escudo)	257.70	160.2113	84.0783	112.2875
Bahamas	(Bahama $)	1.6085	1	0.5247	0.7008
Bahrain	(Dinar)	0.6068	0.3772	0.1979	0.2644
Balearic Is	*(Sp Peseta)*	192.50	119.6767	62.8058	83.8779
Bangladesh	(Taka)	50.70	31.5200	16.5415	22.0915
Barbados	(Barb $)	3.2392	2.0138	1.0568	1.4114
Belgium	(Belg Fr)	64.25c	39.9440	20.9624	27.9956
		64.40g	40.0373	21.0114	28.0610
Belize	(B $)	3.2210	2.0024	1.0508	1.4034
Benin	(CFA Fr)	518.88	322.5862	169.2920	226.0915
Bermuda	(Bermudian $)	1.6085	1	0.5247	0.7008
Bhutan	(Ngultrum)	26.80	16.6614	8.7438	11.6775
Bolivia	(Boliviano)	4.5577	2.8335	1.4870	1.9859
Botswana	(Pula)	3.2575	2.0251	1.0628	1.4193
Brazil	(Cruzado)	5.6549	3.5153	1.8448	2.4636
British Virgin Is	(US $)	1.6085	1	0.5247	0.7008
Brunei	(Brunei $)	3.1663	1.9684	1.0330	1.3796
Bulgaria	(Lev)	1.4344	0.8917	0.4679	0.6250
Burkina Faso	(CFA Fr)	518.88	322.5862	169.2920	226.0915
Burma	(Kyat)	10.7780	6.7006	3.5164	4.6962
Burundi	(Burundi Fr)	251.50	156.3568	82.0554	109.5860
Cameroon	(CFA Fr)	518.88	322.5862	169.2920	226.0915
Canada	(Canadian $)	1.8925	1.1765	0.6174	0.8246
Canary Is	(Sp Peseta)	192.50	119.6767	62.8058	83.8779
Cp. Verde Is	(CV Escudo)	132.399	82.3120	43.1970	57.6901
Cayman Is	(CI $)	1.3367	0.8310	0.4361	0.5824
Cent.Afr. Rep	(CFA Fr)	518.88	322.5862	169.2920	226.0915
Chad	(CFA Fr)	518.88	322.5862	169.2920	226.0915
Chile	(Chilean Peso)	432.33	268.7783	141.0538	188.3790
China	(Renminbi Yuan)	5.8456	3.6341	1.9072	2.5471
Colombia	(Col Peso)	652.14	405.4336	212.7699	284.1568
Comoro Is	(CFA Fr)	518.88	322.5862	169.2920	226.0915
Congo *(Brazz)*	(CFA Fr)	518.88	322.5862	169.2920	226.0915
Costa Rica	(Colon)	132.785	82.5520	43.3230	57.8583
Cuba	(Cuban Peso)	1.2266	0.7625	0.4001	0.5344
Cyprus	(Cyprus £)	0.8000	0.4973	0.2610	0.3485
Czechoslovakia	(Koruna)	24.20c	15.0450	7.8955	10.5446
		15.60l	9.6984	5.0897	6.7973
		15.60t	9.6984	5.0897	6.7973
Denmark	(Danish Kroner)	11.9275	7.4152	3.8915	5.1971
Djibouti Rep	(Djib Fr)	277.50	172.5209	90.5383	120.9150
Dominica	(E Carrib $)	4.3484	2.7033	1.4187	1.8947
Dominican Rep	(D Peso)	10.3233	6.4179	3.3681	4.4981
Ecuador	(Sucre)	888.49o	552.3717	289.8825	387.1416
		940.89a	584.9487	306.9787	409.9738
Egypt	(Egyptian £)	4.1560	2.5837	1.3559	1.8108
El Salvador	(Colon)	8.0625	5.0124	2.6305	3.5130
Equat'l Guinea	(CFA Fr)	518.88	322.5862	169.2920	226.0915
Ethiopia	(Ethiopian Birr)	3.3061	2.0553	1.0786	1.4405
Falkland Is	(Falk £)	1.00	0.6216	0.3262	0.4357
Faroe Is	(Danish Kroner)	11.9275	7.4152	3.8915	5.1971
Fiji Is	*(Fiji $)*	2.4253	1.5078	0.7912	1.0567
Finland	(Markka)	6.9505	4.3211	2.2676	3.0285
France	(Fr)	10.3775	6.4516	3.3858	4.5217
Fr. Cty/Africa	(CFA Fr)	518.88	322.5862	169.2920	226.0915
Fr. Guiana	*(Local Fr)*	10.3775	6.4516	3.3858	4.5217
Fr. Pacific Is	(CFP Fr)	187.00	116.2573	61.0114	81.4814
Gabon	(CFA Fr)	518.88	322.5862	169.2920	226.0915
Gambia	*(Dalasi)*	12.4846	7.7616	4.0732	5.4399
Germany East	(Ostmark)	3.0650	1.9055	1	1.3355
Germany West	(DMark)	3.0650	1.9055	1	1.3355
Ghana	(Cedi)	420.00	261.1128	137.0309	183.0065
Gibraltar	(Gib £)	1.00	0.6216	0.3262	0.4357
Greece	(Drachma)	266.98	165.9807	87.1060	116.3311
Greenland	(Danish Krone)	11.9275	7.4152	3.8915	5.1971
Grenada	*(E Carr $)*	4.3484	2.7033	1.4187	1.8947
Guadaloupe	(Local Fr)	10.3775	6.4516	3.3858	4.5217
Guam	(US $)	1.6085	1	0.5247	0.7008
Guatemala	(Quetzal)	4.5714	2.8420	1.4914	1.9918
Guinea	(Fr)	483.15	300.3790	157.6345	210.5228
Guinea-Bissau	(Peso)	1046.83	650.8113	341.5432	456.1350
Guyana	*(Guyanese $)*	48.29	30.0217	15.7553	21.0413
Haiti	(Goude)	8.0525	5.0062	2.6272	3.5087
Honduras	(Lempira)	3.2250	2.0049	1.0522	1.4052
Hong Kong	(HK $)	12.5785	7.8200	4.1039	5.4808
Hungary	(Forint)	96.1244	59.7602	31.3619	41.8842
Iceland	(Icelandic Krona)	99.0033	61.5500	32.3012	43.1386
India	(Indian Rupee)	26.80	16.6614	8.7438	11.6775
Indonesia	(Rupiah)	2852.23	1773.2235	930.5807	1242.8017
Iran	(Rial)	116.20	72.2412	37.9119	50.6318
Iraq	*(Iraqi Dinar)*	0.4885	0.3036	0.1593	0.2128
Irish Rep	(Punt)	1.1495	0.7146	0.3750	0.5008
Israel	(Shekel)	3.1870	1.9813	1.0398	1.3886
Italy	(Lira)	2213.00	1375.8159	722.0228	964.2701
Ivory Coast	*(CFA Fr)*	518.88	322.5862	169.2920	226.0915
Jamaica	(Jamaican $)	8.7635	5.4482	2.8592	3.8185
Japan	(Yen)	229.50	142.6795	74.8776	100
Jordan	(Jordanian Dinar)	1.0787	0.6706	0.3519	0.4700
Kampuchea	(Riel)	241.28	150.0031	78.7210	105.1328
Kenya	(Kenya Shilling)	34.50	21.4485	11.2561	15.0326
Kiribati	(Australian $)	2.0417	1.2693	0.6661	0.8896
Korea North	(Won)	1.5622	0.9712	0.5096	0.6806
Korea South	(Won)	1066.30	662.9157	347.8955	464.6187
Kuwait	(Kuwaiti Dinar)	0.4821	0.2997	0.1572	0.2100
Laos	(New Kip)	938.92	583.7239	306.3360	409.1154
Lebanon	(Lebanese £)	740.42	460.3170	241.5725	322.6230
Lesotho	(Maluti)	4.4175	2.7463	1.4412	1.9248
Liberia	(Liberian $)	1.6085	1	0.5247	0.7008
Libya	(Libyan Dinar)	0.4947	0.3075	0.1614	0.2155
Liechenstein	(Swiss Fr)	2.6650	1.6568	0.8694	1.1612
Luxembourg	(Lux Fr)	64.25	39.9440	20.9624	27.9956
Macao	(Pataca)	12.9861	8.0734	4.2369	5.6584
Madeira	(Port Escudo)	257.70	160.2113	84.0783	112.2875
Malagasy Rep	(MG Fr)	2362.00	1468.4488	770.6362	1029.1938
Malawi	(Kwacha)	4.5150	2.8069	1.4730	1.9673
Malaysia	(Ringgit)	4.3275	2.6903	1.4119	1.8856
Maldive Is	(Rufiya)	14.5106	9.0211	4.7342	6.3227
Mali Rep	*(CFA Fr)*	518.88	322.5862	169.2920	226.0915
Malta	(Maltese £)	0.5620	0.3493	0.1833	0.2448
Martinique	(Local Fr)	10.3775	6.4516	3.3858	4.5217
Mauritania	(Ouguiya)	134.671	83.7245	43.9383	58.6801
Mauritius	(Maur Rupee)	25.35	15.7600	8.2707	11.0457
Mexico	(Mexican Peso)	4163.55a	2588.4675	1358.4176	1814.1830
		4089.06e	2542.1572	1334.1141	1781.7254
Miquelon	(Local Fr)	10.3775	6.4516	3.3858	4.5217
Monaco	(French Fr)	10.3775	6.4516	3.3858	4.5217
Mongolia	(Tugrik)	5.4040	3.3596	1.7631	2.3546
Montserrat	(E Carr $)	4.3484	2.7033	1.4187	1.8947
Morocco	(Dirham)	13.6045	8.4578	4.4386	5.9278
Mozambique	(Metical)	1301.28	809.0021	424.5611	567.0065
Namibia	(S A Rand)	4.4175	2.7463	1.4412	1.9248
Nauru Is	*(Australian $)*	2.0417	1.2693	0.6661	0.8896
Nepal	(Nepalese Rupee)	38.65	24.0285	12.6101	16.8409
Netherlands	(Guilder)	3.4600	2.1510	1.1288	1.5076
N'nd Antilles	(A/Guilder)	2.8989	1.8022	0.9458	1.2631
New Zealand	*(NZ $)*	2.6975	1.6770	0.8800	1.1753
Nicaragua	(Cordoba)	34346.25	21352.9686	11205.9543	14965.6862
Niger Rep	(CFA Fr)	518.88	322.5862	169.2920	226.0915
Nigeria	(Naira)	11.7567	7.3091	3.8357	5.1227
Norway	(Nor. Krone)	11.2225	6.9769	3.6615	4.8899
Oman	(Rial Omani)	0.6196	0.3852	0.2021	0.2699
Pakistan	(Pak. Rupee)	34.30	21.3242	11.1908	14.9455
Panama	(Balboa)	1.6085	1	0.5247	0.7008
Papua New Guinea	(Kina)	1.3870	0.8622	0.4525	0.6043
Paraguay	(Guarani)	2014.00	1252.0982	657.0962	877.5599
Peru	(Inti)	8122.15	5049.5181	2649.9673	3539.0631
Philippines	(Peso)	34.30	21.3242	11.1908	14.9455
Pitcairn Is	(£ Sterling)	1.00	0.6216	0.3262	0.4357
	(NZ $)	2.6975	1.6770	0.8800	1.1753
Poland	(Zloty)	2257.67	1403.5871	736.5970	983.7342
Portugal	(Escudo)	257.70	160.2113	84.0783	112.2875
Puerto Rico	(US $)	1.6085	1	0.5247	0.7008
Qatar	(Riyal)	5.8620	3.6443	1.9125	2.5542
Reunion Is. de la	(F/Fr)	10.3775	6.4516	3.3858	4.5217
Romania	(Leu)	14.78l	9.1886	4.8221	6.4400
Rwanda	(Fr)	128.31	79.7699	41.8629	55.9084
St Christopher	(E Carr $)	4.3484	2.7033	1.4187	1.8947
St Helena	(£)	1.00	0.6216	0.3262	0.4357
St Lucia	(E Carr $)	4.3484	2.7033	1.4187	1.8947
St Pierre	(French Fr)	10.3775	6.4516	3.3858	4.5217
St Vincent	(E Carr $)	4.3484	2.7033	1.4187	1.8947
San Marino	(Italian Lira)	2213.00	1375.8159	722.0228	964.2701
Sao Tome	(Dobra)	175.776	109.2794	57.3494	76.5908
Saudi Arabia	(Riyal)	6.0467	3.7592	1.9728	2.6347
Senegal	*(CFA Fr)*	518.88	322.5862	169.2920	226.0915
Seychelles	(Rupee)	9.23	5.7382	3.0114	4.0217
Sierra Leone	(Leone)	101.20	62.9157	33.0179	44.0958
Singapore	($)	3.1663	1.9684	1.0330	1.3796
Solomon Is	($)	3.8312	2.3818	1.2499	1.6693
Somali Rep	(Shilling)	660.30	410.5066	215.4323	287.7124
South Africa	(Rand)	4.4175c	2.7463	1.4412	1.9248
		6.4638g	4.0185	2.1089	2.8164
Spain	(Peseta)	192.50	119.6767	62.8058	83.8779
Spanish Ports in N Africa	(Sp Peseta)	192.50	119.6767	62.8058	83.8779
Sri Lanka	(Rupee)	64.30	39.9751	20.9787	28.0174
Sudan Rep	(£)	7.2473	4.5056	2.3645	3.1578
Surinam	(Guilder)	2.8747	1.7871	0.9379	1.2525
Swaziland	(Lilangeni)	4.4175	2.7463	1.4412	1.9248
Sweden	(Krona)	10.4400	6.4905	3.4061	4.5490
Switzerland	(Fr)	2.6650	1.6568	0.8694	1.1612
Syria	(£)	33.82	21.0258	11.0342	14.7363
Taiwan	($)	41.15	25.5828	13.4257	17.9302
Tanzania	(Shilling)	232.10	144.2959	75.7259	101.1328
Thailand	(Baht)	41.50	25.8004	13.5399	18.0827
Togo Rep	(CFA Fr)	518.88	322.5862	169.2920	226.0915
Tonga Is	(Pa Anga)	2.0417	1.2693	0.6661	0.8896
Trinidad/Tobago	($)	6.8446	4.2552	2.2331	2.9823
Tunisia	(Dinar)	1.5374	0.9557	0.5015	0.6698
Turkey	(Lira)	3499.46	2175.6046	1141.7487	1524.8191
Turks & Caicos	(US $)	1.6085	1	0.5247	0.7008
Tuvalu	(Australian $)	2.0417	1.2693	0.6661	0.8896
Uganda	(New Shilling)	322.48	200.4849	105.2137	140.5141
U A E	(Dirham)	5.9210	3.6810	1.9318	2.5799
United Kingdom	(£)	1.00	0.6216	0.3262	0.4357
United States	(US $)	1.6085	1	0.5247	0.7008
Uruguay	(Peso)	1097.31	682.1945	358.0130	478.1307
USSR	(Rouble)	1.0084	0.6269	0.3290	0.4393
Vanuatu	(Vatu)	192.00	119.3658	62.6427	83.6601
Vatican	(Lira)	2213.00	1375.8159	722.0228	964.2701
Venezuela	(Bolivar)	60.87	37.8427	19.8597	26.5228
Vietnam	(Dong)	7247.25	4505.5952	2364.5187	3157.8431
Virgin Is-British	(US $)	1.6085	1	0.5247	0.7008
Virgin Is-US	(US $)	1.6085	1	0.5247	0.7008
Western Samoa	(Tala)	3.73	2.3189	1.2169	1.6252
Yemen	(Rial)	15.21	9.4560	4.9624	6.6274
Yemen PDR	*(Dinar)*	0.5524	0.3434	0.1802	0.2406
Yugoslavia	(Dinar)	52774.0	32809.4497	17218.2707	22995.2069
Zaire Rep	(Zaire)	605.69	376.5557	197.6150	263.9172
Zambia	*(Kwacha)*	26.40	16.4128	8.6133	11.5032
Zimbabwe	($)	3.6025	2.2396	1.1753	1.5697

Special Drawing Rights September 22,1989 United Kingdom £1.26488 United States $1.24937 Germany West D Mark 2.42865 Japan Yen181.971 European Currency Unit Rates September 25,1989 United Kingdom £1.47882 United States $1.08904 Germany West D Mark 2.07158 Japan Yen155.298

Abbreviations: (a) *Free rate;* (b) Banknote rate; (c) Commercial rate ; (d) Controlled rate; (e) Essential imports; (g) Financial rate; (h) Exports; (l) Non commercial rate; (j) Business rate; (k) Buying rate; (l) Luxury goods; (m) Market rate; (o) Official rate; (p) preferential rate; (q) convertible rate; (r) parallel rate; (s) Selling rate; (t) Tourist rate; Some data supplied by Bank of America, Economics Department, London Trading Centre. Enquiries: 01 634 4360/5. Monday, September 25,1989

TRADE INDEMNITY 01-739 4311

THE CREDIT RISK MANAGERS — OVERDUE ACCOUNTS COLLECTION

INTERNATIONAL CAPITAL MARKETS

Volatile dollar casts cloud over investors and issuers

By Andrew Freeman

ACTIVITY DROPPED to low levels on the Eurobond markets yesterday, with many syndicate departments depleted by the demands of the International Monetary Fund meeting in Washington. There were several new issues, but, in general, both investors and issuers were taking stock after the choppy recent performance from the US dollar.

Swiss Bank Corporation tapped a becalmed Ecu sector with an Ecu150m debut international bond issue for ABB Asea Brown Boveri Capital, the financing arm of the Swiss/Swedish engineering group. The five-year bonds, which carry a keepwell agreement from the parent company, were priced at 101⅝ with an 8¾ per cent coupon to yield 8.81 per cent.

Demand for the paper was steady rather than spectacular, with interest reported by syndicate members from Scandinavian investors and from Switzerland. The lead manager was quoting the bonds at less 1.82 bid, a discount inside full underwriting fees of 1⅞ per cent.

Syndication was along traditional lines, although there was a very small group of underwriters and the lead manager charged only a five cent *praecipuum*, the fee paid to the lead members of the syndicate for their extra work in launching the deal. There was competitive bidding for the mandate.

An ABB official confirmed that the proceeds were swapped into floating-rate US dollars to achieve an attractive sub-Libor funding rate. The borrower has not previously visited the Euromarket, but is recognised by European investors as a blue-chip name. The official said the company was planning regular fund-raising visits to the market as part of its general capital markets strategy.

Svenska International was the lead manager of a SKr300m three-year deal for Aga, the Swedish industrial group. The bonds offered an 11¼ per cent coupon and were trading at less 1⅜ bid, a discount equivalent to full underwriting fees. Proceeds were unswapped.

An A$50m three-year deal for Toronto Dominion Australia, guaranteed by the parent bank, was launched by Hambros Bank. The issue, with its 16¼ per cent coupon, is aimed almost exclusively at retail investors and is expected to attract enough demand to see the bonds successfully placed. Proceeds were swapped, probably into floating-rate US dollars, although Hambros declined to elaborate.

Nikko's $100m equity warrants deal for Joban Kosan was trading at 101⅞ bid, while Nomura's $150m deal for Kokusai Securities, the brokerage house, was quoted at 100⅛ bid, both above their par issue prices.

In Germany, a DM100m equity warrants deal for Mory Industries was launched by Nomura to a fine reception. The bonds traded at 103⅞ bid, well above their par issue price.

● Moody's Investors Service may upgrade Uniroyal Goodrich Tire's B-2 rated senior subordinated notes, and its B-3 rated *subordinated debentures*. About $415m of long-term debt would be affected.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees	Book runner
US DOLLARS						
Takasago Thermal Eng.♦	80	(4⅝)	100	1993	1½/¾	Yamaichi Int.(Europe)
Joban Kosan Company♦	100	(4⅞)	100	1993	1½/¾	Nikko Secs.
Kokusai Secs.Co.♦	150	(4⅛)	100	1993	1½/¾	Nomura Int.
CBO II NV‡(a)	85	(a)	100	2000	n/a	Morgan Stanley Int.
Den Danske Bk(Copenhagen)♦	30	10	101⅛	1991	⅝/½	Bankers Trust
AUSTRALIAN DOLLARS						
Toronto Dominion Australia♦	50	16¼	102	1992	1½	Hambros Bank
D-MARKS						
Mory Industries Inc.♦♦	100	1¼	100	1993	2¼	Nomura Europe GMBH
ECUs						
Asea Brown Bovei Cap.B V♦	150	8¾	101⅝	1994	1¼/⅝	Swiss bank Corporation
SWEDISH KRONA						
Arga♦	300	11¼	101.45	1992	⅞/½	Svenska Int.
YEN						
Skopbank♦	2bn	7	101⅜	1992	⅞/½	Bankers Trust Int.
Credit Com. de France♦(b)	1.75bn	6.3	101⅝	1993	1⅝	Morgan Stanley Int.

♦Final terms. ♦With equity warrants. ‡Floating rate note. a)20bp over 6-month libor. b)Redemption currency linked.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Closing prices on September 25

US DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alberta 9¾ 95	600	102¼	102¾	-0¼	-1	8.82
Austria 9½ 93	140	101½	102⅛	-0⅛	-0⅛	8.98
B.F.C.E. 8⅜ 94	175	98	98⅜	-0⅞	-0⅞	8.86
B.F.C.E. 9¼ 95	150	101⅜	101⅞	-0⅛	-1	8.88
Brit. Tel. Fin. 9⅜ 98	250	102½	103	-0⅛	-0⅛	8.91
Canada 9 96	1000	101⅞	102⅜	0	-1	8.54
Canadian Pac 10¼ 93	100	*102½	102⅞	0	0	9.88
C.C.C.E 9¼ 95	300	101¼	101¾	-0½	-1¼	8.98
C.N.C.A 9½ 93	150	†100½	101	-0⅛	-0⅜	6.16
Credit National 8¾ 93	200	†98	98½	0	-0⅜	8.81
Credit National 7¾ 92	100	96¼	96¾	-0⅛	-0⅛	8.86
Credit National 9½ 92	160	†100⅞	101⅜	-0⅛	-0⅛	9.06
Dai-Ichi Kan 9¾ 92	150	101⅞	101⅞	-0⅛	-0⅛	8.98
Denmark 7⅞ 92	500	95⅛	96⅛	-0⅛	-0⅛	8.84
E.E.C. 7 91	100	96¼	96¾	-0⅛	-0⅛	8.86
E.E.C. 7¼ 93	250	†95	95½	-0⅛	-0⅛	8.88
E.E.C. 10 93	140	†103⅛	103⅝	-0⅛	-0⅛	8.85
Eurofima 10⅛ 93	100	†103⅝	104	-0⅛	-0⅛	8.79
Elec. De France 9 98	200	100⅛	101⅝	-0⅛	-0⅜	8.81
Elec. De France 9¾ 99	200	†103⅜	103⅞	-0⅛	-1	8.90
Finland 9 96	250	100¼	100¾	-0⅛	-1⅛	8.88
Finn. Exp. Cd. 8⅞ 92	200	98⅝	99⅛	-0⅛	-0⅛	8.87
Finn. Exp. Cd. 9⅞ 95	200	101⅝	102⅛	-0⅛	-0⅛	8.98
Finn. Exp. Cred. 10⅛ 91	100	101⅛	102⅛	+0⅛	+0⅛	9.11
Ford Motor Credit 8 91	250	†98⅛	98⅝	0	-0⅛	9.15
Gen. Elec. Cap. Corp. 9 93	500	†100	100⅛	-0⅛	-1	8.91
Gen. Elec. Cap. Crp. 10 1/2 91	300	101⅛	102⅛	0	-0⅛	9.61
G.M.A.C. 9⅞ 96	300	99	99½	-0⅛	-1	9.14
Gen. Mtrs. Corp. 9½ 92	200	100⅛	100⅝	-0⅛	-0⅛	8.94
IBM Credit Corp. 8⅞ 91	250	99⅛	100	-0⅛	-0⅛	8.86
IBM Credit Corp. 9 92	250	100⅛	100⅝	-0⅛	0	8.51
IBM Credit Corp. 9½ 92	250	101	101⅛	-0⅛	-0⅛	8.85
IBM Credit Corp. 10 92	200	102½	103	-0⅛	-0⅛	8.74
Italy 9½ 95	1000	102½	103	-0⅛	-0⅛	8.89
Italy 9½ 99	1000	104	104½	-0⅛	-1	8.94
Itoh C. W/W 4⅜ 94	1000	99⅛	100⅛	+0⅛	+0⅛	4.62
Japan Dev. Bank 10 96	200	104⅞	105⅜	-0⅛	-1⅛	8.95
L.T.C.B. of Japan 9¼ 92	200	100⅛	100⅝	-0⅛	-0⅛	9.04
Metropolis Tokyo 9½ 93	200	101⅝	102⅛	-0⅛	-0⅛	8.89
Nippon Tel. & Tel. 9⅞ 98	250	102⅞	103	-0⅛	-0⅛	8.91
Norway 8⅞ 93	500	99⅞	100⅛	-0⅛	-0⅛	8.67
Portugal 8¼ 91	300	†98	98½	-0⅛	0	9.49
Prudential Crp. 8⅞ 94	125	99⅛	99⅝	-0⅛	-0⅛	8.87
Sumitomo Bank 9⅞ 92	150	†101⅝	102	-0⅛	-0⅛	8.93
Sumitomo Corp. W/W 4 93	1500	†108	109	+0⅛	-0⅛	1.65
Sweden 8⅞ 96	200	99⅞	100	-0⅛	-1	8.76
Sweden 8⅛ 92	200	†98⅛	98⅝	-0⅛	-0⅛	9.18
Toyota 9⅞ 91	200	101	101½	-0⅛	0	8.82
Toyota Mtr. Corp. W/W 4 93	1500	102⅞	103⅞	+0⅛	+0⅛	3.82
Victorian Rep 11⅞ 92	150	105	105½	-0⅛	-0⅛	9.21
World Bank 7 92	500	†96	96½	-0⅛	-0⅛	8.81
World Bank 9 97	300	100⅞	101⅛	-0⅛	-0⅛	8.81
World Bank 9 93	300	100½	101	-0⅛	-0⅛	8.74
World Bank 9¼ 98	300	102⅞	102⅞	-0⅛	-1	8.89
World Bank 9⅞ 99	500	104⅛	105⅛	-0⅛	-0⅛	8.89
World Bank 9⅞ 96	300	†104⅛	104⅝	-0⅛	-1⅛	8.88

Average price change... On day -0⅛ on week -0⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. BK. 6 94	200	94½	95	-0⅛	-0½	7.23
Austria 6¾ 99	750	†97⅞	98	+0⅛	+0⅛	7.05
Bk. Frgn. Econ. USSR 7 96	750	*†95⅞	95⅞	0	+0⅛	7.84
Bank of Tokyo 5⅞ 93	100	95½	96	-0⅛	-0⅛	7.18
Commerzbank o/s. 5⅞ 93	300	94⅞	95	0	-0⅛	7.21
Credit Foncier 6⅞ 99	500	†97⅞	98	+0⅛	+0⅛	8.07
E.I.B. 6¼ 99	600	†94⅛	94⅞	0	+0⅛	7.07
E.I.B. 6½ 99	300	†95⅞	96⅛	0	+0⅛	7.09
E.I.B. 6⅝ 96	600	†97⅞	98⅛	0	+0⅛	7.03
E.I.B. 6⅞ 95	300	99⅞	100	+0⅛	+0⅛	6.92
Euro. Coal & Steel 5⅞ 97	175	92⅞	93⅛	+0⅛	+0⅛	7.09
Eurofima 6¼ 96	100	95	95½	0	+0⅛	7.16
Elec De France 5⅞ 97	300	91⅞	91⅞	-0⅛	-0⅛	7.19
Hydro-Quebec 6⅞ 99	300	†97⅞	98⅛	+0⅛	+0⅛	7.06
Japan Dev. Bk. 5⅞ 95	300	†92	92½	-0⅛	-0⅛	7.09
Japan Finance 5⅞ 97	100	92½	93	+0⅛	+0⅛	7.03
I.A.D.B. 7⅞ 99	300	100⅞	101⅛	+0⅛	+0⅛	7.10
Ireland 6½ 97	300	95⅛	95⅝	-0⅛	+0⅛	7.28
Ireland 7⅞ 99	500	99½	99⅞	-0⅛	+0⅛	7.30
Malaysia 6¼ 94	150	96⅛	96⅝	0	0	7.13
Nat. West BK. PLC 6 98	300	†91⅞	92⅛	0	+0⅛	7.28
N.H.L. Finance 6¼ 95	200	†93½	94	0	-0⅛	7.56
Nippon Telg. & Tel. 6 95	400	†95⅛	96	+0⅛	+0⅛	6.38
Oesters. Kontbk. 5 93	300	93⅛	93⅝	+0⅛	+0½	7.24
Portugal 5⅞ 92	150	96⅛	96⅝	+0⅛	+0⅛	7.19
Portugal 6⅝ 95	150	98⅛	98⅝	0	-0⅛	6.94
Privatbanken 5⅞ 93	150	93⅞	94⅛	+0⅛	0	7.28
Royal Insurance 5½ 92	300	95⅛	96⅛	-0⅛	+0⅛	7.32
Turkey 6½ 95	300	†93	93½	-0⅛	-0⅛	8.02
Union Bk. Finland 5½ 94	200	†94	94⅛	+0⅛	+0⅛	7.08
World Bank 6 98	500	†93⅛	93⅞	+0⅛	+0⅛	6.99
World BK. 6¼ 97	600	94⅞	95	-0⅛	0	7.56
World Bank 6⅞ 99	600	97⅞	98	+0⅛	+0⅛	7.03

Average price change... On day 0 on week +0¼

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev. Bk. 5 96	150	†91½	92	+0⅛	-1½	6.53
Asfinag 5 03	100	†88	89	0	-1⅛	6.26
B.F.C.E. 4½ 98	200	†90½	91	0	+0⅛	5.87
B.M.W. Fin. Neth. 5 13	150	†85	85⅛	-0⅞	-0⅞	6.22
Britannia B/S. 4⅞ 94	100	†89½	91	0	0	6.73
CIR. Int. W/W 3 93	125	†90	90⅛	0	0	5.97
Credit Lyonnais 4⅞ 00	100	†89⅛	89½	-0⅛	+0⅛	6.13
E.I.B 4½ 98	150	†91	92	+0⅛	+0⅛	5.89
Finn. Exp. Cd. 8⅞ 92	75	†100½	100⅞	—	—	8.00
Fletcher Chall. 4⅞ 98	150	†80	80⅛	+1⅛	+3⅛	8.19
I.A.D.B. 6 2004	200	†98⅛	98⅞	—	—	6.16
Kobe City 4⅛ 98	150	†90	90½	0	-0⅛	6.09
Leeds Perm. B/S. 4⅛ 93	200	†91	92	0	0	6.89
Malaysia 5⅛ 98	100	†86	86⅛	-3⅛	-6⅛	7.45
Maxwell Comm. Crp. 5 95	150	†86	86⅛	+0⅛	+3⅛	8.12
Nat. Bk. Hungary 5½ 94	75	†90⅛	91⅛	-0⅞	-0⅞	7.58
Nationwide Ang. B/S. 4 93	200	†91	91⅛	-0⅛	-0⅛	6.77
Prov. Newfoundland 5 03	150	†87	87⅛	-2⅛	-1⅛	6.40
Thailand 4⅞ 95	200	†92⅛	93	-1	-5	8.48
World Bank 5 03	150	†88	89	-0⅛	+0⅛	6.26

Average price change... On day -0⅞ on week -0½

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Canada 6¼ 91	80	100¾	101	0	+0¼	5.43
Canada 5⅞ 93	80	100¾	101	+0⅛	+0⅞	5.36
Eurofima 5 1995	20	97⅝	98	+0⅛	+0⅛	5.45
E.I.B. 4⅞ 93	30	98⅛	98⅝	+0⅛	+0⅛	5.44
Ireland 5⅛ 93	30	98⅞	99⅛	+0⅛	+0⅛	5.47
Norway 5⅛ 95	50	98⅞	99⅛	+0⅞	+0⅞	5.33
Sweden 4⅝ 93	50	97⅛	97⅝	0	+0⅛	5.47
World Bank 5⅛ 98	10	98⅛	98½	+0⅛	+0½	5.38
World Bank 7 94	20	106	106½	+0⅛	+0⅞	5.41

Average price change... On day +0⅛ on week +0¼

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Abbey Nat. 10¾ 94 C$	150	97⅞	97⅞	-0¼	-0¼	10.92
Abbey Nat. 11⅞ 95 £	100	98	98½	+0⅛	+0⅛	12.05
Aegon 7⅞ 92 Fl	100	101	101½	0	0	7.80
Alg. Bk. Ned. 5⅞ 93 FL	200	94⅝	95⅛	0	-0⅛	7.46
Austria 7½ 94 ECU	100	96	96⅜	0	+0⅛	8.55
Bk. Nova Scot. 14⅞ 90 A$	75	†96⅞	96⅞	-0⅛	-0⅛	17.69
Barclays Aus. 13⅞ 91 A$	100	95⅛	95⅝	+0⅛	0	16.22
Belgium 8⅞ 94 Ecu	150	98⅛	98½	0	+0⅛	8.59
BP Capital 9¾ 93 £	100	93⅛	94⅛	0	0	11.87
British Airways 10 98 £	100	91	91½	-0⅛	-0⅛	11.66
Brit. Telecom 9⅞ 93 £	150	93½	94	0	0	11.75
Comm. Bk. Aust. 12⅞ 93 A$	100	†93⅛	93⅝	+0⅛	+0⅛	15.03
Comm. Bk. Aus. 13⅞ 94 NZ$	60	103½	104⅛	0	+0⅛	12.66
Credit Foncier 9 96 Ecu	100	101⅛	101⅝	0	+0⅛	8.69
Crl. ocalFrance 9¼ 92 Ecu	100	102	102½	+0⅛	+0⅛	8.26
Deut. Bk. Aus. 13⅞ 93 A$	125	97⅛	97⅝	+0⅛	-0⅛	14.20
Deutsche Bk. Fin. 15 94 A$	100	101	101½	+0⅛	-0⅛	14.53
E.I.B. 7 96 LFr	150	†97	98	0	+0⅛	7.50
E.I.B. 9 99 Ecu	150	101⅞	102⅜	-0⅛	+0⅛	8.67
Eurofima 7⅞ 94 Ecu	100	96⅛	97⅛	0	+0⅛	8.46
Export Dv. Crp. 8⅞ 92 Ecu	100	100⅞	101⅛	-0⅛	+0⅛	8.27
Fed. Bus. Dv. Bk. 9 94 Ecu	100	100⅝	101⅛	+0⅛	+0⅛	8.75
Fed. Bus. Dv. Bk. 9⅞ 92 C$	75	†97⅛	97⅝	-0⅛	-0⅛	10.88
Fed. Bus. Dv. Bk. 10½ 93 C$	50	†98⅞	99⅛	-0⅛	-0⅛	10.76
Ferrv. Stato 7⅞ 93 Ecu	100	96⅞	97⅛	+0⅛	+0⅞	8.71
Ford Cr. Can. 10¼ 93 C$	100	†99	99½	-0⅛	-0⅛	10.98
Ford Cred. Can. 10⅞ 96 C$	125	100⅞	101	-0⅛	-1⅛	10.70
Ford Cred. Fund. 10⅞ 93 £	60	96⅛	96⅝	0	0	11.85
G.M.A.C. Canada 11 3/4 94 C$	100	102⅞	103⅛	-0⅛	-0⅛	10.88
Heineken 7½ 94 FL	150	102⅛	102⅝	0	+0⅛	7.57
Hydro-Quebec 11 99 C$	400	102⅛	102⅝	-0⅛	-1⅛	10.57
I.A.D.B. 7⅞ 99 FL	200	†98⅛	98⅝	0	+0⅛	7.47
Lloyds Bank 10⅞ 98 £	150	92⅝	92⅞	0	-0⅛	11.66
Lloyds Bank 11⅞ 98 £	100	95⅞	96⅛	+0⅛	0	12.87
Montreal Tst. 10⅞ 93 C$	100	†98⅝	99⅛	-0⅛	-0⅛	11.10
Nat. Aus. Bk. 14⅞ 94 A$	100	98⅞	99⅛	+0⅛	-0⅛	15.00
New Zealand 9½ 93 £	100	92½	93	-0⅛	-0⅛	12.06
O.E.K.B. 10⅞ 99 C$	150	99⅞	99⅞	-0⅛	-1	10.34
Privatbanken 7½ 94 LFr	500	97	98	-1	-0⅛	8.17
Royal Bk. Scot. 10⅞ 98 £	125	94⅛	94⅞	0	0	11.68
Saskatchewan 9⅞ 91 C$	150	†97⅛	97⅝	-0⅛	-0⅛	11.50
Saskatchewan 10⅞ 93 C$	200	98⅞	99⅛	-0⅛	-0⅛	10.62
State Bk. NSW. 13⅞ 93 A$	100	95⅛	96	+0⅛	-0⅛	15.31
Sweden 7½ 93 Ecu	250	96⅛	97	+0⅛	+0⅛	8.49
Sweden 15 94 A$	100	102	102½	+0⅛	+0⅛	14.21
Toyota Mtr. Cr. 11⅞ 92 C$	150	100⅞	101⅛	-0⅛	-0⅛	10.86
World Bank 13⅞ 92 A$	100	98⅞	99⅛	+0⅛	0	13.83
World Bank 14⅞ 94 A$	75	99⅛	99⅞	+0⅛	-0⅛	14.37
Zentrspk. 13⅞ 93 A$	75	†95⅛	96⅛	+0⅛	-0½	14.64

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn
Alliance & Leic. Bld 94 £	.08	100.01	100.06	24/10	14.08
Bank of Greece 99 US	0¼	99.61	99.70	8/03	9¼
Belgium 91 US	0	100.05	100.15	21/02	8.81
Chelt. & Gloucester 94 £	.063	99.96	100.02	30/11	14.06
Credit Foncier 98 US	.063	99.98	100.08	20/10	10.16
Dresdner Finance 99 DM	.031	99.81	99.91	30/10	6.97
EEC 3 92 DM	0	100.19	100.29	22/02	6⅞
Halifax BS 94 £	.1	100.16	100.20	9/11	13.97
Intl. In Industry 94 £	0¼	100.09	100.19	24/11	14.06
Leeds Perm. B/S. 94 £	0⅛	100.21	100.26	13/10	14.06
Milk Mkt. Brd. 5 93 £	0⅛	99.67	99.72	29/09	14.31
New Zealand 5 97 £	.07	100.07	100.17	18/11	13.19
Northern Rock 92 £	0½	99.93	99.98	20/01	5¾
State Bk. Nsw. 98 US	.188	100.09	100.17	11/02	8.81
Woolwich Equit. BS. 93 £	0⅛	100.20	100.25	13/10	14.06
Woolwich 5 95 £	0⅛	100.10	100.15	21/11	14.06

Average price change... On day -0.03 on week -0.05

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem.
Alcoa 6¼ 02 US	8/87	62	123⅛	124⅛	-0⅛	3.44
Amer. Brands 7⅛ 02 US	9/87	56.7	128½	129½	+0⅛	-1.33
CBS. Inc. 5 02 US	4/87	200	103⅛	104⅛	+0⅛	2.47
Primerica 5½ 02 US	4/87	66.75	72⅞	73⅞	0	76.89
Eng. China Clay 6¼ 03 £	9/88	4.8	103⅛	104⅛	+0⅛	4.84
Fujitsu 3 99 US	5/84	1106	222	223⅛	-0⅛	-2.93
Ladbroke Grp. 5¼ 04 £	6/89	7.1	107⅛	108⅛	0	123.95
Land Secs. 6¾ 02 £	6/87	6.72	96⅛	97⅛	-0⅛	14.45
Minolta Camera 2¼ 94 DM	2/86	1004	109⅞	111⅞	-0⅛	7.96
MCA INC 5¼ 02 US	9/87	69.42	101	102	-0⅛	14.44
Mitsubishi Bk. 2⅞ 04 US	5/89	3266	93⅞	94⅞	+1⅛	3.63
Next Plc 5½ 03 £	11/87	4.3	100⅛	101⅛	-0⅛	243.24
Nikkei Nipp. Bk. 2⅞ 03 US	4/88	804	127	128	+1	1.50
Omnicom Inc. 6 1/2% 04 US	10/89	28	102⅞	103⅞	0	18.15
Sanyo Tokoi 2⅞ 02 US	4/87	1310	268½	269½	-4½	-1.98
Ranks Hovis 4⅞ 03 £	†1/88	3.5	129	130	-0⅛	-2.94
Redland 7⅞ 02 £	1/87	5.4	107	108	+0⅛	1.84
Saatchi & Saatchi 6⅞ 03 £	†10/89	4.41	93⅛	94⅛	+0⅛	33.65

* No information available-previous day's price

† Only one market maker supplied a price

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte = Date next coupon becomes effective. Spread = Margin above six-month *offered rate* (‡three-month; §above mean rate) for US dollars. C.cpn = The current coupon.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv date = First date of conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

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Application has been made to the Council of The Stock Exchange for the grant of permission to deal in the Ordinary Shares of F.B.D. Holdings p.l.c. on the Unlisted Securities Market in Dublin and London ("USM") and dealings are expected to commence on 3 October, 1989. It is emphasised that no application has been made for these securities to be admitted to Listing.

F.B.D. Holdings p.l.c.

(Incorporated and registered with limited liability in Ireland under the Companies Acts, 1963 to 1986 — Registered No. 135882)

PLACING

in connection with admission to the USM

Arranged by

DAVY CORPORATE FINANCE LIMITED

Through

J&E Davy and Bloxham Maguire

of

4,500,000 Ordinary Shares of IR50p each at IR86p per Share payable in full on application

BUSINESS

The Group is a market leader in the provision of insurance and assurance services to the farming and food processing sectors of the Irish economy. In addition, in recent years the Group has extended its business into other commercial, industrial and professional sectors and it is currently well advanced in its plans to establish a life assurance company. The Group operates in the Republic of Ireland through a nationwide network of 32 branches and 8 sub-offices and has in excess of 80 field staff.

Particulars of the Company are available in the statistical services of the Extel Unlisted Securities Market Service. Copies of the Prospectus may be obtained during normal business hours on any weekday (Saturdays and public holidays excepted) up to and including 9 October, 1989 from: Davy Corporate Finance Limited, Cawley Sheerin Wynne, Rowe & Maw, or F.B.D. Holdings p.l.c. at the addresses below and from the Company Announcements Office, The Irish Stock Exchange, 28 Anglesea Street, Dublin 2, and The Stock Exchange, 46 Finsbury Square, London EC2A 1DD, England, up to and including 28 September, 1989.

Davy Corporate Finance Ltd., Davy House, 49 Dawson Street, Dublin 2.

Cawley Sheerin Wynne, 1/2 Upper Hatch Street, Dublin 2.

Rowe & Maw, 20 Black Friars Lane, London EC4V 6HD, England.

F.B.D. Holdings p.l.c., F.B.D. House, Bluebell, Dublin 2.

26 September, 1989

THE NETHERLANDS

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FINANCIAL TIMES
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FIRST AUSTRALIA PRIME INCOME INVESTMENT COMPANY LIMITED
International Depositary Receipts issued by Morgan Guaranty Trust Company of New York

Notice is hereby given to the shareholders that:

Payment of coupon Nbr. 11 of the International Depositary Receipts will be made in US dollars on or after September 22nd, 1989 at the rate of US$ 0,09355 per ordinary share at the folowing offices *of Morgan Guaranty Trust Company of New York*:

- -New York, 30 West Broadway
- -Brussels, 35 avenue des Arts
- -London 1 Angel Court
- -Frankfurt, 44/46 Mainzer Landstrasse

The dividend is not subject to any Australian tax. The Belgian withholding tax will be applicable to IDR holders presenting their coupons to the office of the Depositary without the appropriate Belgian *non resident certificate.*

MORGAN GUARANTY TRUST COMPANY OF NEW YORK BRUSSELS OFFICE, AS DEPOSITARY

US$250,000,000
ML TRUST XVI
Collateralised Mortgage Obligations Floater Class A Bonds

In accordance with the provisions of the Bonds, notice is hereby given that the Rate of Interest has been fixed at 9.375% for the tenth Floater Interest Period of 20th September, 1989 through to 19th December, 1989. Interest accrued for this Floater Interest Period is expected to amount to US$12.17 per US$1,000 Bond.

PRINCIPAL PAYING AGENT
Texas Commerce Bank National Association
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New York, New York 10004

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September 26, 1989, London
By: Citibank, N.A. (CSSI Dept), Agent Bank — CITIBANK

Matuschka sells shares to fund expensive lifestyle

Haig Simonian on why a West German finance house has taken on board six influential shareholders

The sale of a 25 per cent shareholding in the Matuschka Group to six prestigious international institutions both confirms the company's status as West Germany's leading independent financial house and provides the basis for sustained growth over the forseeable future.

Matuschka's list of new shareholders is impressive. Nomura, the largest of Japan's mammoth securities houses, has been joined by General Electric Capital of the US, the French Suez group, Charterhouse, the UK merchant bank, Akros, the Italian investment house, and Willowbridge Investments, a UK investment company.

Neither details of the size of holdings nor their price have been revealed. But the biggest groups will buy 5 per cent each, while smaller participants will have stakes of 2-3 per cent. Japanese analysts have estimated that Nomura would pay around Y1bn ($6.8m) for its 5 per cent. On that basis, the entire deal will raise around $35m.

The figure could have been higher had Matuschka sold a single 25 per cent shareholding. But obtaining the maximum price was not the motive, according to Mr Rolf Christoph Dienst, Matuschka's chief executive.

More important, splitting the outside shareholding reduces the chances of the company, which now has some 390 employees and offices in 17 locations, coming too closely under the control of one big shareholder. Independence has been one of the group's watchwords since its creation in 1970 by Count Albrecht Matuschka, its 45-year old chairman, and three other partners.

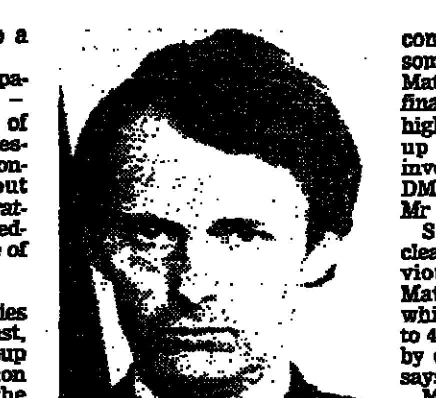
Why should a group, which has hitherto made much of its iconoclastic function in German *finance,* suddenly seek outside shareholders? The answer has probably more to do with the simple need for additional capital than all the public-relations rhetoric about forging "a global network of strategic alliances."

Matuschka has grown rapidly both geographically and in terms of its products. While fund management, often for wealthy private clients, still forms its core business, it has broadened into mergers and acquisitions, corporate finance, *venture capital and* buy-outs. Even real estate has been added to the list. And recently, it was revealed that the company had applied to set up a life insurance operation.

On the surface, the company's *success comes despite* – or because of – the drive of Count Matuschka. An incessant talker who interrupts constantly while barking out *orders, he can make a frustrating* boss, whose single-mindedness can stretch the patience of many colleagues.

Day to day control lies more with Mr Dienst, under whom the group has consolidated its reputation for deal-making beyond the shadow of Germany's big universal banks. But Count Matuschka himself can wield a powerful spell over private clients, while his efforts at stirring Germany's still sometimes very complacent banking world should not be underestimated.

Yet meeting the growing list of challenges he would like to tackle is proving increasingly expensive – helping to explain the decision to overturn previous policy and bring in outside shareholders. Although Matuschka does not tie up its own capital by making markets, preferring to work on a fee-earning basis, its expansion has been costly.



Count Albrecht Matuschka: single-minded chairman

Details of its financial performance are not revealed, so judgments by outsiders about profitability or expenses are conjecture. Moreover, information about the performance or size of its funds under management is also met with silence. While many of its staff are believed to be on relatively low-base salaries, topped up by large, profit-related bonuses, costs have steadily increased.

Expansion so far has largely been met by internally-generated funds. But financial requirements will rocket if the company pushes ahead with some new ideas. Building up Matuschka Private Finance, a financial services network for high-income earners requiring up to 400 salesmen, could involve an investment of up to DM100m ($51.3m), according to *Mr Dienst.*

Such rapid growth was clearly outside the group's previous resources. Even now, Matuschka is in negotiations which eventually may see up to 49 per cent of its shares held by outside partners, Mr Dienst says.

Many of Matuschka's existing subsidiaries could become sources of capital should the company sell stakes in them. Nomura already has 25 per cent of Main Anlage Trust, the group's Frankfurt-based fund *management operation.*

Count Matuschka himself concedes that the group appears disorganised as new ventures have been steadily added on. Thus one useful side-effect of the new shareholdings will be to tidy up the group structure. A new company, Matuschka Group Limited Partnership, is being set up in Bermuda, which will acquire proportionate stakes in all the other subsidiaries.

Meanwhile, the number of partners owning the 75 per cent not being taken by the new outside shareholders is going up to 33 from 24, although Count Matuschka and his three co-founders will continue to hold the lion's share of the equity. Much of the cash being pumped in by the new shareholders will be taken out by the founding partners, while part will be used to buy out some other older *partners to make room for newcomers.*

One of the aims of the new structure is to make more room for young blood. All the existing shareholders, including the institutions, have agreed on the dilution required to make room, and the group could well have 40 partners by the end of next year.

Among new ventures likely after the capital infusion are big projects with Nomura, possibly including a scheme to manage Japanese offshore funds out of Luxembourg, and a potential link with General Electric on acquisitions in German-speaking Europe.

But the relationships with the new shareholders should not constrain the group's ability to strike one-off deals with non-shareholding companies, according to Count Matuschka.

Tokio plans to buy 10% stake in Delaware

By Stefan Wagstyl in Tokyo

TOKIO FIRE & MARINE, Japan's largest casualty insurer, yesterday announced plans to buy a 10 per cent stake in Delaware Management, the fifth largest US *independent investment advisory* company.

The deal is the fourth this year between a Japanese financial institution and a US investment advisory group, highlighting Japanese companies' willingness to buy specialist skills which they have not yet developed for themselves in Tokyo.

Tokio is to pay $42m for the stake in Delaware which has $24bn in assets under management. The Japanese group, which has assets of Y7,675bn ($52.9bn), said it wanted access to Delaware's knowledge of the US market.

Tokio is interested in expanding the proportion of its portfolio invested overseas from the current level of less than 10 per cent.

Mr Kenji Ito, a manager in the financial planning department, said: "We want to *increase our overseas investments* and to manage them more efficiently. Delaware can help us." Tokio will send staff for training at Delaware.

Delaware, which was founded in 1938, is privately-owned. It has a reputation for active management – which means its managers are trained to select and trade stock actively, not to rely on computers to manage funds for them by tracking indices, for *example.*

Earlier this year, Nikko Securities, Japan's third largest stockbroking house, paid $125m for a 50 per cent stake in Wells Fargo Investment Advisors, a subsidiary of Wells Fargo Bank. Also, Long-Term Credit Bank established a joint venture with Miller, Anderson and Sherrerd, and Meiji Life bought an undisclosed stake in Alliance Capital Management, a subsidiary of Equitable Life Insurance Company, one of the biggest US insurers.

● Nippon Credit Bank, the long-term credit bank, plans to pay $68m for a 45 per cent stake in a South Korean leasing subsidiary of Manufacturers Hanover, the debt-encumbered US bank. The Japanese bank said the acquisition would strengthen business with South Korean companies.

Manufacturers Hanover *recently announced the sale of* a stake in CIT Group, its US financing arm, to Dai-Ichi Kangyo Bank. Dai-Ichi Kangyo also took a 5 per cent interest in Manufacturers Hanover itself. The total package cost the Japanese bank $1.4bn.

Canadian bank to form new subsidiary

By David Owen in Toronto

CANADIAN Imperial Bank of Commerce, the country's second largest bank, is to merge its domestic investment management operation with those of Wood Gundy, its majority-owned securities trading unit, *to form a new subsidiary,* CIBC Investment Management.

The new arm will initially manage over C$1bn (US$850m) in assets. This will swell to more than C$2bn if international investment management operations are taken into account. The bank intends to offer equity participation to senior officers in the new unit.

Canadian Imperial is Canada's third largest commercial bank. Last published annual profits totalled C$591m and the group had total assets of C$94.7bn.

US Treasuries dip as investors react to falling dollar

By Karen Zagor in New York and Rachel Johnson in London

US TREASURIES moved lower across the board yesterday on the heels of a plunging dollar.

The debt market was also shaken by stronger-than-expected car sales in mid-September and the possibility that OPEC might raise its oil output ceiling.

In late trading, the Treasury's benchmark 30-year bond was quoted 1$\frac{1}{32}$ point lower at 98$\frac{4}{32}$, yielding 8.29 per cent. At the short end of the yield curve, the two-year Treasury bond was down $\frac{1}{32}$ point, yielding 8.41 per cent.

The Federal Reserve arranged four-day system repurchase agreements when Fed funds were at 9$\frac{1}{16}$ per cent. They closed at 9 per cent.

GOVERNMENT BONDS

The debt market moved lower on the back of a weak dollar, which slipped sharply after the Group of Seven industrial nations said they wanted to see a lower dollar, and following a round of intervention by foreign central banks.

In late trading, the dollar was changing hands at Y142.1 *and DM1.8995,* well below Friday's Y146.05 and DM1.9530.

The market is now looking to today's release of August durable goods orders, which are expected to rise by 0.5 per cent to 1 per cent.

■ THE DOLLAR'S volatility gave dealers an excuse to remain on the sidelines yesterday, waiting for clearer trends to emerge both on Wall Street and on the foreign exchanges.

The German government bond market opened stronger on the expectation that bond prices would shadow the D-mark. But that did not happen: prices drifted down during the day, to close virtually unchanged from Friday's fixings. "The main focus is the dollar, save for some expected inflation data," one dealer said.

■ THE TOKYO government bond market was "strong on the back of a thrusting yen," one dealer said. The market was impelled upwards by the weekend statement from the Group of Seven ministers that the dollar's rise was inconsistent with economic fundamentals.

The benchmark No.111 closed to yield 5.145 per cent, *down from 5.175 per cent on* Friday, amid some heavy trading in both cash and futures markets.

■ DESPITE the excitement surrounding the dollar's activities, the UK government bond market remained torpid. "There was not much retail interest, nor from market makers," said an analyst. Dealers stayed undecided ahead of today's August trade figures, which were "overhanging everything." The cash and futures markets both finished up ⅛ on the day's trading.

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
UK GILTS		13.500	9/92	105-25	-2/32	11.17	11.15	10.72
		9.750	1/98	96-19	+5/32	10.37	10.34	10.04
		9.000	10/08	96-06	+6/32	9.44	9.41	9.22
US TREASURY *		8.000	8/99	97-27	-23/32	8.32	8.09	8.22
		8.125	8/19	98-08	-32/32	8.29	8.08	8.16
JAPAN	No 111	4.600	6/98	96.5888	+0.685	5.17	5.38	5.07
	No 2	5.700	3/07	105.9384	+0.586	5.06	5.18	4.99
GERMANY		6.750	6/99	96.8500	-0.150	6.91	6.93	6.78
FRANCE	BTAN	8.000	7/94	96.3650	-0.165	8.94	8.94	8.60
	OAT	8.125	5/99	96.4700	-0.420	8.66	8.58	8.40
CANADA *		9.500	10/98	98.2000	-1.000	9.61	9.54	9.44
NETHERLANDS		7.250	7/99	100.2750	+0.115	7.21	7.26	7.12
AUSTRALIA		12.000	7/99	92.0282	+0.001	13.48	13.32	13.11

London closing, *denotes New York close
Yields: Local market standard — Prices: US, UK in 32nds., others in decimal

Technical Data/ATLAS Price Sources

Bundesbank in Iosco row

By Haig Simonian in Frankfurt

THE WEST German Bundesbank and Ministry of Finance yesterday added to the debate over capital requirements for European securities firms by sharply *criticising the report* prepared for last week's meeting of the International Organisation of Securities Commissions (Iosco) in Venice.

The Bundesbank said Mr Karl Thomas and Mr Georg Wittich, senior figures in the central bank and finance ministry respectively, had made clear to Mr Jeffrey Knight, chief executive of the International Stock Exchange in London, that the conclusions of the report prepared by Iosco's executive committee were unacceptable for West Germany.

The West German experts said the findings leaned too heavily towards the British distinction between banks and brokers, to the disadvantage of German-style universal banks.

The criticisms re-open an argument, apparently patched up in Venice, when the Federation of German Stock Exchanges strongly opposed the findings, which it argued should be redrawn.

LONDON MARKET STATISTICS

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Monday September 25 1989: Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%)	Est. P/E Ratio (Net)	xd adj. 1989 to date	Fri Sep 22 Index No.	Thu Sep 21 Index No.	Wed Sep 20 Index No.	Year ago (approx) Index No.
1 CAPITAL GOODS (208)	986.14	-0.1	11.13	4.23	11.00	24.39	987.58	989.76	983.72	774.17
2 Building Materials (29)	1192.83	-0.4	12.74	4.57	9.82	29.34	1196.43	1194.58	1189.87	963.66
3 Contracting, Construction (37)	1594.98	-0.1	15.23	4.73	8.57	41.25	1596.59	1600.13	1594.45	1534.51
4 Electricals (9)	2895.67	-0.6	8.69	4.12	14.34	55.83	2914.35	2928.80	2911.82	2153.27
5 Electronics (30)	2169.39	+0.5	8.95	3.38	14.43	48.92	2158.84	2179.57	2149.59	1656.71
6 Mechanical Engineering (56)	537.32	-0.2	10.37	4.20	11.77	12.43	538.50	538.18	538.15	405.25
8 Metals and Metal Forming (6)	514.85	-1.2	20.00	5.91	5.51	15.15	520.16	522.28	519.00	475.76
9 Motors (18)	377.65	-0.3	9.73	4.13	12.84	9.64	378.65	373.47	369.12	272.58
10 Other Industrial Materials (23)	1797.52	-0.1	9.15	4.17	12.89	50.40	1799.21	1813.31	1804.23	1322.55
21 CONSUMER GROUP (184)	1360.29	-0.5	8.11	3.22	15.45	23.49	1367.34	1374.15	1372.66	1046.84
22 Brewers and Distillers (22)	1498.27	-0.8	8.87	3.26	14.11	25.65	1510.42	1515.06	1518.56	1110.06
25 Food Manufacturing (20)	1187.84	-0.3	8.65	3.58	14.45	23.38	1191.99	1195.88	1198.82	943.44
26 Food Retailing (14)	2637.24	-0.2	7.70	2.62	17.18	38.73	2643.37	2651.58	2622.09	1847.75
27 Health and Household (14)	2585.37	-0.9	5.97	1.84	19.72	22.32	2608.28	2614.04	2606.52	1847.83
29 Leisure (34)	1798.37	-0.3	7.23	3.14	17.06	32.46	1803.61	1810.03	1817.45	1329.00
31 Packaging & Paper (15)	608.85	+0.7	10.25	4.28	12.12	15.78	603.54	602.67	607.86	508.09
32 *Publishing & Printing* (19)	3830.46	+0.1	8.34	4.41	15.42	98.58	3825.43	3834.34	3828.91	3271.71
34 Stores (32)	864.84	-0.6	9.96	4.26	13.11	18.54	870.31	884.80	887.39	749.17
35 Textiles (14)	577.98	-0.7	10.31	5.06	11.59	15.40	582.17	586.98	584.91	494.71
40 OTHER GROUPS (93)	1210.07	-0.1	9.71	4.00	12.49	25.42	1211.56	1215.13	1207.99	874.72
41 Agencies (17)	1564.79	-0.5	6.83	2.26	18.88	23.12	1573.18	1578.81	1563.13	1037.29
42 Chemicals (22)	1324.76	-0.6	11.22	4.72	10.50	41.28	1333.28	1333.16	1329.81	1030.34
43 *Conglomerates* (13)	1706.76	-1.1	10.02	4.78	11.74	28.94	1726.44	1733.51	1729.51	1202.38
45 Transport (13)	2424.23	-0.5	9.13	3.86	14.03	44.09	2435.47	2437.10	2433.44	1856.82
47 Telephone Networks (2)	1195.04	+1.4	10.24	4.15	12.72	22.38	1178.34	1188.41	1171.99	938.64
48 Miscellaneous (26)	1946.10	-0.3	8.94	3.28	12.63	44.32	1951.88	1965.85	1943.48	1186.66
49 INDUSTRIAL GROUP (485)	1238.18	-0.3	9.35	3.71	13.18	25.13	1242.00	1246.58	1241.98	941.49
51 Oil & Gas (15)	2216.14	-0.8	9.78	5.10	13.52	86.44	2235.13	2246.23	2241.80	1756.76
59 500 SHARE INDEX (500)	1321.30	-0.4	9.41	3.89	13.22	30.10	1326.32	1331.43	1326.75	1010.63
61 FINANCIAL GROUP (121)	811.34	-0.3	-	5.12	-	26.38	814.14	815.61	811.59	673.77
62 Banks (9)	834.25	-0.5	20.67	5.98	6.36	34.80	838.48	837.02	828.43	657.97
65 *Insurance (Life)* (8)	1207.60	-0.2	-	5.24	-	45.37	1209.88	1213.82	1213.86	986.00
66 *Insurance (Composite)* (7)	656.81	-0.6	-	5.76	-	24.09	660.92	670.42	667.75	527.52
67 *Insurance (Brokers)* (7)	983.14	-1.2	7.71	6.32	17.32	44.55	995.83	987.20	977.67	925.96
68 Merchant Banks (10)	402.94	-0.4	-	4.01	-	9.45	404.48	402.83	400.15	326.45
69 Property (49)	1342.96	-0.1	6.56	3.00	19.44	19.81	1344.11	1345.06	1347.34	1163.25
70 Other Financial (31)	367.68	+0.4	10.86	5.97	11.84	10.74	366.25	366.33	364.20	359.17
71 Investment Trusts (69)	1268.95	-0.2	-	2.67	-	19.44	1271.51	1271.96	1270.40	906.82
81 Mining Finance (1)	727.53	-1.4	10.46	3.70	10.74	22.25	737.79	741.64	727.53	580.55
91 Overseas Traders (8)	1457.45	-0.7	9.90	5.28	11.58	43.67	1467.72	1461.21	1460.98	1287.24
99 ALL-SHARE INDEX (699)	1197.67	-0.4	-	4.05	-	28.93	1202.28	1206.32	1201.74	927.61

	Index No.	Day's Change	Day's High (a)	Day's Low (b)	Sep 22	Sep 21	Sep 20	Sep 19	Sep 18	Year ago
FT-SE 100 SHARE INDEX‡	2359.6	-10.6	2365.6	2358.4	2370.2	2380.9	2369.8	2361.5	2373.8	1792.7

FIXED INTEREST

PRICE INDICES	Mon Sep 25	Day's change %	Fri Sep 22	xd adj. today	xd adj. 1989 to date
British Government					
1 Up to 5 years	117.16	-0.01	117.18	-	9.42
2 5-15 years	132.75	+0.06	132.75	0.87	9.63
3 Over 15 years	142.14	+0.12	141.97	-	11.64
4 Irredeemables	165.95	+0.18	165.65	-	8.83
5 All stocks	130.18	+0.04	130.17	0.04	9.92
Index-Linked					
6 Up to 5 years	140.06	-0.02	140.08	-	2.26
7 Over 5 years	138.37	+0.04	138.31	-	2.09
8 All stocks	138.38	+0.04	138.33	-	2.82
9 Debentures & Loans	111.71	-0.19	111.97	0.05	7.40
10 Preference	88.85	-0.27	89.09	-	4.24

AVERAGE GROSS REDEMPTION YIELDS			Mon Sep 25	Fri Sep 22	Year ago (approx.)
British Government					
1	Low Coupons	5 years	9.82	9.82	9.91
2		15 years	9.38	9.39	9.52
3		25 years	9.27	9.28	9.21
4	Medium Coupons	5 years	10.73	10.73	10.27
5		15 years	9.78	9.79	9.77
6		25 years	9.40	9.41	9.48
7	High Coupons	5 years	10.84	10.83	10.43
8		15 years	9.97	9.99	9.89
9		25 years	9.55	9.58	9.43
10	Irredeemables†		9.31	9.32	9.19
Index-Linked					
11	Inflation rate 5%	5yrs.	3.18	3.17	3.41
12	Inflation rate 5%	Over 5 yrs.	3.55	3.55	3.90
13	Inflation rate 10%	5 yrs.	2.34	2.32	2.29
14	Inflation rate 10%	Over 5 yrs.	3.37	3.38	3.72
15	Debs & Loans	5 years	12.96	12.95	11.72
16		15 years	12.03	12.02	11.39
17		25 years	11.51	11.49	11.14
18	Preference		10.40	10.37	10.29

‡Opening index 2359.1; 10 am 2364.7; 11 am 2362.3; Noon 2363.3; 1 pm 2365.5; 2 pm 2364.9; 3 pm 2360.0; 3.30 pm 2361.1; 4 pm 2358.5
(a) (b) † Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London SE1 9HL, price 15p, by post 34p.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	45	27	33
Corporations, Dominion and Foreign Bonds	9	1	32
Industrials	209	504	881
Financial and Properties	91	186	390
Oils	15	41	36
Plantations	2	2	7
Mines	28	52	94
Others	27	128	97
Totals	426	941	1,570

LONDON RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. date	1989 High	1989 Low	Stock	Closing Price	+ or -	Net Div.	Times Cov'd	Gross Yield	P.E. Ratio
57	F.P.	-	66½	59	Babcock Intl. Group 10p	59½		u3.0	1.7	6.7	10.3
§100	F.P.	-	126	108	‡Boxmore Intl. 10p	125		u5.2	1.9	5.5	12.1
85	F.P.	-	96	84	‡Diamond Group Hldgs 5p	86		L1.13	4.7	1.7	16.3
†	F.P.	-	865	775	‡Elan Corporation Ir4p	775		-	-	-	73.1
100	F.P.	-	102	100	Greyfriars Inv	101		-	-	-	-
-	-	-	£68½	£68¼	ISS-Int Serv Sys B DKr100	£68¾		Q10%	5.0	1.2	16.6
-	F.P.	-	105	94	Leveraged Opportunity Tst	103		-	-	-	-
-	F.P.	-	61	53	Do. Warrants	61		-	-	-	-
†	F.P.	-	481	456	Mitsubishi Elect. Crp.Y50	465		Q16%	2.9	0.8	45.0
◆	F.P.	-	76	70	Murray Enterprise	71	+1	-	-	-	-
90	F.P.	22/9	110	95	Nth. American Gas Inv Tst	99	+4	K3.75	-	1.0	-
-	F.P.	-	51	43	Do. Warrants	48					
§50	F.P.	-	52	47	Pacific Horizon Inv Tst10p	48	-2	-	-	-	-
-	-	-	27	23	Do. Warrants	25	-1	-	-	-	-
50	F.P.	-	51	45	Pacific Prop. Inv. Tst 10p	49	+1	-	-	-	-
-	F.P	-	25	17	Do. Warrants	25		-	-	-	-
†	F.P.	-	475	340	Presidio Oil "A" 10c	460		Q2.5c	-	0.3	-
105	F.P.	-	123	111	‡Smith (James) Estates	122		u3.0	0.9	3.3	36.1
-	F.P.	10/7	186	63	WPP Warrants	151	-4	-	-	-	-
§109	F.P.	-	118	115	‡Westminster Scaffold.10p	117		R5.0	1.6	5.7	13.2

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc Date	1989 High	1989 Low	Stock	Closing Price £	+ or -
105p	F.P.	-	108½p	103½p	British Aerospace 7.75p (Net) Cv. Pf.	104p	
100p	F.P.	-	124p	102p	Carlton Comms. 6.5p (Net) Cv Rd.Pf 5p.	119p	+1
100p	F.P.	14/9	102p	94p	‡Corton Beach 7.5p(Net) Cv. Pf.	94p	
◆	F.P.	-	51p	50¾p	Gartmore Am. Secs Zero Div Pf 5p	50½p	-½
100p	F.P.	28/7	104p	96p	Hartwell 7⅞p (Net) Cv Pf. £1	96p	-2
100p	F.P.	-	106p	101p	‡Kunick 8.25p Cnv.Rd.Pf	106p	
§100	F.P.	-	103	100	Leveraged Opportunity Tst Cv Uns Ln	102½	
100p	F.P.	-	107p	96p	London Secs. 8¼pc Cv. Rd. Pf.	97p	+1
§100p	Nil	-	2pm	½pm	Lookers 8pc Cnv.Rd.Pf	¾pm	
◆	F.P.	-	77½	65½	Murray Ent. Zero Cv. Uns. Ln. 1994	65½	
-	F.P.	-	100	99¾	Nationwide Anglia 13⅞pc Bds. 13/8/90	99¾	
-	F.P.	-	100	100	Do. 13½pc Bds. 3/9/90	100	
§99.1	F.P.	-	107	99¼	Do. 4.25pc Index-Linked 2024	104½	
100p	F.P.	-	103p	98p	Owen & Robinson 8½pc (Net) Cv. Pf.	100p	
§100	F.P.	21/8	105½	101½	Renaissance Hldgs 8.5pc Cv Ln 1994	101½	
121	F.P.	-	121	118½	Scot. Am. Inv. Eq Index Uns Ln 2004	119	
§420p	P.P.	10/7	138p	107p	Tiphook Units	126p	
§100p	F.P.	25/7	121p	100¾p	WPP 8.25p Cv.Rd.Pf. 10p	114p	-1

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc Date	1989 High	1989 Low	Stock	Closing Price p	+ or -
285	Nil	-	25pm	17pm	Canning (W)	19pm	-1
160	Nil	-	13pm	12pm	Colefax & Fowler 10p	13pm	
40	Nil	18/10	5½pm	2pm	‡Explaura Hldgs. 5p	2pm	-½
20	F.P.	17/10	27	22½	Lowndes Queensway	24	
20	Nil	25/9	8pm	2pm	‡Spice	2pm	-1
225	Nil	-	53pm	50pm	‡Sunset & Vine 5p	52pm	-1
k33	Nil	-	27pm	21pm	‡Tadcar Resources	25½pm	+1½
115	Nil	30/9	34pm	24pm	Wheway	32pm	

a Annualised dividend. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. s Dividend and yield exclude special payment. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. H Dividend and yield based on Prospectus or other offical estimates for 1989. K Dividend and yield based on prospectus or other offical estimates for 1990-91. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on Prospectus or other official estimates for 1988. N Dividend and yield based on prospectus or other official estimates for 1989-90. Q Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. ¶ Issued by tender. ‡ Offered to holders of ordinary shares as a "rights". † Introduction. § Placing price. †† Reintroduction. ◆ Issued in connection with reorganisation merger or takeover. ‡ Allotment price. ‡ Unlisted securities market. ◆ Official London listing. □ Including warrants entitlement. * Third Market.

TRADITIONAL OPTIONS

● First Dealings — Sep 11
● Last Dealings — Sep 22
● Last Declarations — Dec 7
● For settlement — Dec 18

For rate indications see end of London Share Service

Calls in Norex, Untd News, Atlantic Res, Oliver Res, Mining & Allied, Polly Peck, BPB, Medirace Wrnts, Boots, Christie Int, Eurotunnel Wrnts. Put Jaguar

LONDON TRADED OPTIONS

NEWS THAT American Telephone & Telegraph has scheduled an important announcement in London this morning set British Telecom wires buzzing yesterday lunchtime, so that both the underlying BT shares and the options were heavily traded.

The stock ended at 282p, up 6p on the day, with a turnover of some 9.5m shares and a total of 5,274 options. Of those 3,017 lots were in put series, with 2,050 in the November 260 puts.

Dealers reported brisk two-way business in calls, with the optimists who believed the AT&T statement could concern a stake in BT well balanced by those who did not believe a word of it.

A number of investors were also reported to be closing out put positions which had been written when the stock was at a lower level.

FT-SE index options recorded one its busiest sessions for many weeks, with a total turnover of 20,337 lots, predominantly in puts series (16,083 contracts). This was particularly noteworthy on a day when turnover in the stock market itself was distinctly sluggish.

A lot of the business related to closing of positions, and was largely confined to intermarket trading. Activity was spread across a number of series, although one institution was said to have assembled a 4,000 lot put spread in the October 2,150 and 2,200 series.

Asda options trading was mostly in call series, with a total of 2,995 lots including 2,543 calls. The busiest series was the November 200 calls, with 1,759 lots. This apparently represented one arm of a straddle sale, the call side of which had been crossed.

Other activity was very limited. The gyrations of Jaguar's share price continues to inspire some options positioning, particularly in hedge form. But yesterday's total was only 1,016 contracts, 794 of which were calls.

Meanwhile British Steel volume amounted to 1,528 contracts, with 1,328 calls — 819 of them concentrated in the October 145 calls.

In British Gas, total turnover was 1,388 contracts, split between 671 calls and 717 puts.

Option		Calls Oct	Calls Jan	Calls Apr	Puts Oct	Puts Jan	Puts Apr
Alld Lyons (*526)	500	37	57	76	6	17	22
	550	11	29	46	30	40	44
Brit. Airways (*213)	180	35	39	46	½	1½	3
	200	18	23	31	2	6	7½
	220	5	12	19	10	15	17
Brit. Com (*158)	140	24	28	35	3	7	9
	160	9	17	24	10	16	20
	180	3	8	15	25	30	32
Smithk Bchm (*577)	550	-	-	78	-	-	19
	600	9	31	49	28	35	40
	650	2	14	29	75	75	77
Boots (*286)	260	32	40	50	1½	4½	6
	280	16	26	35	5	12	15
	300	7	16	25	17	22	24
B.P. (*308)	280	31½	39	45	½	3½	6
	300	16	25	30	2½	9	10½
	330	3	9½	17	23	24	26
British Steel (*139)	135	7	11	14½	2	4½	5
	145	2	7½	9½	7	9½	10
Bass (*1054)	1050	37	67	100	25	47	55
	1100	15	42	75	55	75	88
	1150	5	25	55	103	115	118
C & Wire (*570)	500	79	100	120	2½	11	17
	550	37	67	88	13	27	33
	600	16	40	62	40	51	58
Cons. Gold (*1418)	1350	130	-	-	2	2	-
	1400	80	-	-	2	3	-
	1450	30	35	-	5	7	-
Courtaulds (*385)	360	30	42	58	2	8	10
	390	10	23	37	13	18	21
	420	3	12	23	37	38	40
Com. Union (*443)	390	60	74	82	1	3	7
	420	30	49	57	2	9	18
	460	8	25	31	20	26	34
G.K.N. (*449)	420	39	55	64	2	10	17
	460	12	29	38	18	25	35
Grand Met. (*597)	550	56	83	95	3	11	17
	600	21	50	63	18	27	37
I.C.I. (*1278)	1250	59	110	132	18	35	48
	1300	27	80	102	38	52	69
	1350	12	54	78	77	80	97
Jaguar (*576)	500	87	112	129	6	17	27
	550	47	82	97	17	33	49
	600	22	53	75	39	53	67
Kingfisher (*345)	330	22	37	51	5	11	14
	360	6	22	33	20	23	26
Ladbroke (*337)	330	-	-	41	-	-	17
	360	5½	15	24	25	30	33
Land Secur (*570)	550	33	50	65	6	12	17
	600	7	24	38	32	38	40
M & S (*204)	200	10	18	26	4	8	10
	220	2	9	15	18	19	20
STC (*344)	300	49	62	-	1	4½	-
	330	21	40	50	4	9½	15
	360	7	22	31	21	25	30
Sainsbury (*289)	280	16	26	36	4	7	9
	300	5	15	22	16	17	18
Shell Trans. (*435)	390	49	66	73	1	5	10
	420	21	42	50	4	11	17
	460	5	19	26	26	28	36

Option		Calls Oct	Calls Jan	Calls Apr	Puts Oct	Puts Jan	Puts Apr
Storehouse (*145)	130	18	24	27	1	3	5
	140	10	15	21	2½	6	8
	160	2	7	11	16	17	19
Trafalgar (*387)	360	-	-	53	-	-	15
	377	22	30	-	7	17	-
	390	-	-	35	-	-	28
Utd. Biscuits (*391)	360	39	55	65	3	8	11
	390	15	36	45	11	20	23
	420	5	21	31	34	36	40
Unilever (*647)	600	55	72	93	3	8	14
	650	17	40	60	17	27	32
	700	5	20	37	57	58	58
Ultramar (*337)	300	42	56	64	2	6	8
	330	19	36	44	8	16	20
	360	5	20	28	26	30	36

Option		Calls Nov	Calls Feb	Calls May	Puts Nov	Puts Feb	Puts May
Brit. Aero (*636)	600	60	86	93	11	17	26
	650	27	56	68	31	37	47
	700	11	35	45	67	70	78
BAA (*343)	300	52	-	-	1	-	-
	330	27	36	47	4	11	14
	360	10	19	30	22	25	29
BAT Inds (*816)	750	97	130	-	8	18	-
	800	58	93	123	23	35	43
	850	30	58	90	55	58	65
BTR (*453)	420	46	63	70	3½	8	13
	460	17	35	43	20	25	28
	500	5	18	25	50	50	52
Brit. Telecom (*285)	260	31	35	43	1¼	4½	5½
	280	15	20	28	6	9	10½
	300	4½	-	-	17	-	-
Cadbury Sch (*390)	390	24	40	50	14	20	23
	420	13	24	37	35	39	42
Guinness (*584)	550	49	66	79	7	12	18
	600	18	38	46	28	33	36
GEC (*247)	220	33	40	-	1	3½	-
	240	16	24	32	5	8½	10
	260	6	13½	20	18	19	20
Hanson (*219)	200	25	26	-	1	4	-
	220	10½	13	19½	6	11	12
LASMO (*526)	500	45	70	85	12	20	25
	550	19	43	60	40	45	60
P. & O. (*694)	650	55	80	95	15	23	30
	700	25	50	65	37	47	55
Pilkington (*245)	220	33	39	-	2	5	-
	240	18	26	34	7	11	12
Plessey (*268)	240	30	30	-	¼	¼	-
	260	10	10	-	¼	¼	-
	280	¼	¼	¼	12	12	-
Prudential (*200)	180	26	33	37	2	2½	5
	200	12	19	22	6	9	12
	220	3	10	12	21	22	24
Racal (*230)	210	29	38	45	4½	9	10
	230	16	25	33	12	16	18
	250	7½	15½	-	23	28	-
R.T.Z. (*567)	542	42	68	-	8	13	-
	550	-	-	70	-	-	23
	600	11	35	45	37	40	45
Scot. & New (*373)	360	33	47	60	12	22	26
	390	16	32	46	27	36	38

Option		Calls Nov	Calls Feb	Calls May	Puts Nov	Puts Feb	Puts May
Tesco (*212)	200	17	26	30	5	7	9
	220	5½	13	19	13	14	16
Option		**Sep**	**Nov**	**Jan**	**Sep**	**Nov**	**Jan**
Abbey Nat. (*154)	140	15	19	22	1	2	2
	160	1	8	11½	7	8	9
ASDA Grp. (*193)	180	13	23	29	1	6	9
	200	2	13	19	9	16	20
Option		**Sep**	**Nov**		**Sep**	**Nov**	
Gateway (*237)	220	-	-	-	1	1	-
	240	1	1	-	-	11	-
Option		**Sep.**	**Dec.**	**Mar.**	**Sep.**	**Dec.**	**Mar.**
Amstrad (*73)	70	4½	10	15	1	6	8
	80	½	6	11	7	12½	15
Barclays (*541)	500	45	65	80	1	9	16
	550	3	33	45	13	25	35
Blue Circle (*251)	250	5	22	30	4	12	16
	275	1	9	18	27	28	31
British Gas (*211)	180	32	38	40½	¼	1	2½
	200	12	19½	24½	½	3½	7
	220	½	8	11½	10	10½	13
Dixons (*145)	140	6½	17	22	1	7	9½
	160	½	7	12	16	19	21
Glaxo (*1517)	1450	70	110	162	2	28	40
	1500	20	77	132	6	50	64
	1550	5	52	102	40	80	90
Hawker Sidd. (*713)	700	18	47	74	3	25	32
	750	1	23	47	40	55	60
Hillsdown (*314)	300	15	29	40	1	9	13
	330	1	13	22	17	24	24
Lonrho (*278)	280	-	-	27	-	-	20
	283	3	18	-	7	16	-
Midland Bk (*374)	360	-	35	47	-	10	16
	390	2	21	30	20	25	30
R. Royce (*187)	180	7½	15	22	½	6	8
	200	½	7	13	14	18	19
Sears (*120)	120	1¼	8	12½	2	5½	8
	130	½	4	7½	11	13	14
THF (*347)	330	19	32	45	1	10	14
	360	2	15½	27	15	24	29
	390	1	7	16	44	48	50
Thorn EMI (*832)	800	35	68	90	1	18	26
	850	4	37	60	23	38	48
TSB (*120)	110	10	15	17	1	3	4½
	120	1¼	6½	9½	3	5	7
	130	1	-	-	12	-	-
Vaal Reefs (*S84)	80	4	10	10	2	6½	8
	90	½	6	7½	10	11	13
Wellcome (*661)	650	17	57	90	7	31	43
	700	2	35	65	40	50	75

FT-SE INDEX (*2358)

	2200	2250	2300	2350	2400	2450	2500	2600
CALLS								
Sep	166	117	68	26	4	½	½	-
Oct	189	144	101	63	36	19	9	-
Nov	210	165	123	88	58	38	22	-
Dec	220	180	140	108	76	54	34	-
Jun †	315	-	240	-	175	-	122	84
PUTS								
Sep	½	1	3	11	42	92	142	-
Oct	6	9½	18	32	57	94	142	-
Nov	11	19	27	44	68	100	142	-
Dec	16	24	37	53	73	103	145	-
Jun †	47	-	72	-	120	-	170	260

Sept 25 Total Contracts 45,758
Calls 20,793 Puts 24,965
FT-SE Index Calls 4254 Puts 16083
*Underlying security price. † Long dated expiry mths

UK COMPANY NEWS

Lacklustre market leaves Myson static

By John Thornhill

MYSON GROUP, the boiler and radiator manufacturer which has been the subject of a takeover tussle between Blue Circle Industries and Yale and Valor, reported virtually static profits at the half-year stage.

In the six months to June 30 1989, Myson reported pre-tax profits of £8.7m (£8.61m) on turnover marginally ahead at £80.72m (£79.07m).

Mr Ray Wheeler, chairman, said this result reflected the impact of a more difficult home products market, which was estimated to be down by about 5 per cent to 6 per cent on the previous year.

However, new fire and boiler products continued to be developed and successfully introduced to the market, according to the company.

Trading profits were slightly down to £8.27m (£8.86m), but receivable interest of £431,000, compared with previous interest charges of £247,000, resulted in the gain at the pre-tax level.

Myson is awaiting the outcome of the Monopolies and Mergers Commission's investigations into the two takeover offers.

Yale and Valor, the security and home products company, launched a recommended £180m offer in July, which was followed two weeks later by an agreed £196m bid from Blue Circle, the diversified cement company.

Both bids lapsed after their referral to the MMC but may be relaunched if clearance is forthcoming. A decision is expected by the end of November.

Mr John Salkeld, chief executive, said the two bids had affected the company, but only at the top management level as they had been busy submitting reports to the MMC. "It gives less time to get around the units but basically things are going on as normal," he said.

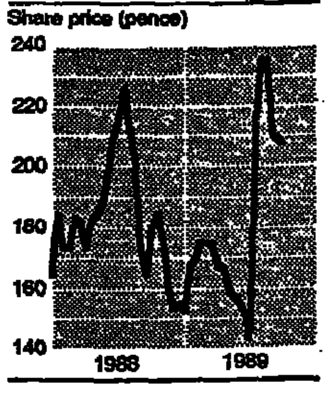
The board has declared an interim dividend of 2.55p (2.3p) payable from earnings per share of 6.87p (6.81p).

● **COMMENT**

Myson lingers in a state of limbo, waiting for the MMC to deliver news about its fate. Meanwhile, the company plods dutifully on, recording a respectable performance in a rather lacklustre market. This result caused few surprises and the eyes of Myson's followers are still steadily fixed on the day the MMC reports. The City consensus seems to suggest that both bids may be given the nod, making it worthwhile for investors to hang on to their shares until then. Even if both bids are blocked, another may yet emerge, especially given the senior management's seeming inclination to sell. Pre-tax profits for the year may rise to £24m giving Myson a prospective multiple of about 11. That naturally contains a good dose of bid premium, but the shares may not fall much because of the assumption that Myson is up for sale.

Myson Group

Share price (pence)



GT Japan assets advance to 376.9p

GT Japan Investment Trust improved its net asset value to 376.9p per share as at June 30, against 358.8p a year earlier. Net profits for the year to the end of June were almost doubled at £1.26m (£646,000) reflecting a sharp rise in fixed income investments to £3.05m (£2.25m).

Earnings per share were 4.03p (2.12p). There is a final dividend of 1.5p (1p) making a total of 2p (1.4p) and a special payment of 1.6p (0.6p). A one-for-one scrip issue is proposed.

House of Fraser confirms sale of Irish stores to Ewart for undisclosed sum

By Maggie Urry

HOUSE OF FRASER, the department store group owned by the Al Fayed brothers, has confirmed that it is negotiating to sell Switzer, its four-store chain in the Irish Republic. The proposed buyer is Ewart, a property development and investment group based in Belfast, Northern Ireland.

Switzer was rumoured to be up for sale last month, at a price suggested at I£35m (£30.5m). The terms of the sale to Ewart are to remain confidential, House of Fraser said yesterday.

If the deal goes through, Ewart said it would continue to run Switzer as a retailer, and would open further outlets. It has a number of retail property interests.

The sale of Switzer would leave House of Fraser with 60 department stores in mainland Britain, and various other businesses such as Turnbull and Asser, the shirt maker, and Kurt Geiger, the shoe company.

Ewart was the subject of a bid approach in August, but earlier this month talks ceased.

Capita Group ahead to £502,000

In its first interim statement since flotation on the USM in April, Capita Group, a public sector management consultancy, unveiled pre-tax profits of £502,000 – a rise of 61 per cent on the £311,000 reported in the corresponding period last year.

Turnover in the six months to end-June totalled £3.01m (£1.97m), while earnings per 2p share increased from 2.9p to 4.4p. As forecast in the prospectus, the interim dividend is set at 0.8p.

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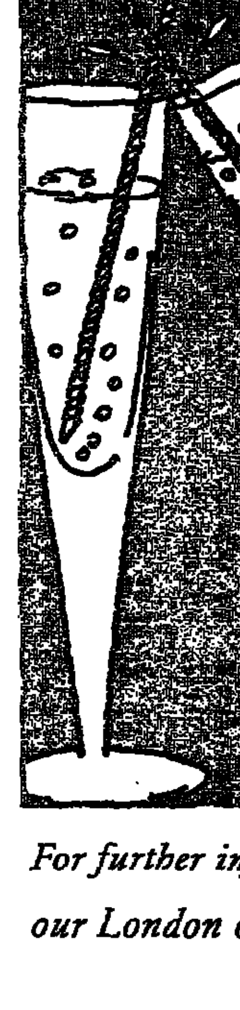

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Nissan dealership blow almost eliminates profits at DC Cook

By John Thornhill

DC COOK Holdings, the USM-traded motor dealer and property developer, yesterday reported a drastic fall, from £5.2m to £514,000, in pre-tax profits for the year to April 30.

This resulted from the loss of several Nissan dealerships after a change of franchising policy by the Japanese car maker.

The stock market had been warned earlier this month of Cook's difficulties and yesterday shaved only 1p off its share price to 70p. In February the shares stood at a high of 193p.

Mr Derek Cook, chairman, said the results included substantial losses directly attributable to the closure costs of the terminated dealerships, although he said it was difficult to quantify these losses because of the knock-on effect they had on the whole business.

Losses in the motor division, however, amounted to £5.76m compared with profits of £2.49m the year before. There was also an extraordinary loss of £621,000 resulting from rationalisation and reorganisation costs. Cook has widened its franchise representation and currently has 20 dealerships with six car manufacturers.

Overall, operating profits were £4.81m (£6.77m), but higher interest charges of £4.34m (£1.62m) knocked down the gain at the pre-tax level.

The property division expanded its profits from £1.99m to £5.7m, while profits in the financial services division advanced from £517,000 to £776,000.

The group's retail services activities – running 29 garage forecourt shops – incurred losses of £203,000 (profits £205,000), although they included substantial start-up expenses.

Turnover advanced strongly to £221.99m (£158.88m). Losses per share amounted to 0.18p, compared with previous earnings of 12.1p. The final dividend was passed.

Mr Cook said: "It has been a tough and traumatic year but there has already been a turnround. I am confident the measures taken will put us back on the track to future profitability."

● **COMMENT**

DC Cook was markedly reticent in elaborating on its difficulties yesterday because of fears that it may prejudice possible legal action. This made it difficult to assess how much the problems were due to external factors and how much of the company's own making. That all was not going swimmingly for the group, irrespective of the Nissan disruption, was evidenced by the change of auditors during the year and the departure of two directors – in that time-honoured phrase – "to pursue other interests". However, the company's record should win it the benefit of the doubt, although the mettle of its management will now be tested as it grapples with the problems. The new franchises it has won are reported to be performing well, the retail side looks promising, and the property division keeps things perky, but it will be a long hard struggle to restore profits and credibility. With disposals, Panmure Gordon forecasts pre-tax profits of up to £4m next year. This puts Cook on a prospective multiple of just under 9. But much firmer evidence of recovery and an improvement in the overall state of the car market will be needed before Cook warrants a second look.

Cornwell Parker held in check

By Andrew Hill

HIGHER INTEREST rates and the cost of complying with new flammability regulations hit results at Cornwell Parker, the manufacturer of fabrics and furniture, in the year to July 31.

The group, formerly known as Parker Knoll, reported a slight decrease in profits to £9.2m before tax, compared with £9.27m in 1987-88. Turnover rose from £74.22m to £81.44m.

Mr Martin Jourdan, chairman, said yesterday: "Despite the fact that the consumer durable market has been hit by high interest rates, I think we have done jolly well – this is mainly due to the strength of our brands."

But he added that other unexpected costs, totalling about £1m, had hit results in the second half of the year. In particular, the group suffered from the cost of complying with new legislation on flammability of upholstery fabrics, and also had to spend more than expected on reorganising County Kitchens, the fitted kitchen specialist bought in February.

Destocking of cabinet furniture by retailers worried about interest rate rises meant the group was unable to offset the £3.5m cost of a new factory.

Trading profits for the group's furniture operations slipped from £4.57m to £4.12m, while textiles increased to £5.23m (£5.03m). The balance sheet had been strengthened by a revaluation surplus of £8.7m on group properties.

Mr Jourdan said the group would probably steer clear of acquisitions while the market continued to be tough.

"Our job in the next 12 months is to keep our heads down, really work as hard as we can and maximise performance within the company."

A lower tax rate meant there was a 6 per cent increase in after-tax profits, to £6.31m (£5.97m), for earnings of 16.2p (15.6p). The final dividend is 3.6p for a total of 5.2p(4.8p).

● **COMMENT**

Cornwell Parker's insistence on the importance of its upmarket brands is understandable in the current economic climate. But the group's enthusiasm will not be enough to persuade investors that the shares are worth buying; Cornwell and its shareholders can only wait for consumer demand to revive. Meanwhile, the group says it has sorted out marketing problems at its Baker and Parkertex fabrics subsidiaries, amalgamating the sales forces and streamlining administration. In the current year, there should be no recurrence of the problems at County, but the group may suffer from the costs of maintaining higher levels of stock, as interest rates continue to bite, and marketing the new range of flame retardant textiles. Analysts are adding back the £1m cut from the figures for 1988-89 to give a pre-tax forecast of approximately £10m for the current year. The A shares slipped 5p to 198p yesterday and are on a prospective multiple of about 12 – high enough.

Stanley Miller dives to £22,000

Pre-tax profits of Stanley Miller Holdings, the building contractor, plunged from £315,000 to £22,000 in the first half of 1989, in spite of turnover advancing 43 per cent at £27.58m.

The directors said, however, that all group activities were now trading profitably and they were confident that the full year would reflect the real progress now being made.

An extraordinary loss of £570,000 comprised £695,000 from losses to date of sale and office closure expenses, less £125,000 from the proceeds of sale.

Loss per 10p share was 0.03p (5p earnings), while the interim dividend was maintained at 0.75p.

High-Point rises 17% to £2.44m

High-Point, the project promotion and consultancy group, lifted pre-tax profits 17 per cent from £2.08m to £2.44m in the year to May 31. The comparative figures for 1988 have been restated as Rendel Palmer & Tritton has been treated as a wholly-owned subsidiary and not an associate as previously.

The rise in profits was attributed to strong organic growth backed by continuing reinvestment of profits.

Turnover was up from £31.84m to £43.46m and operating profit was £3.29m (£2.64m). After tax of £912,000 (£826,000), earnings per 1p share emerged at 31.1p (26.3p). The dividend goes up from 5.75p to 6.75p with a proposed final of 4.5p.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetables.

TODAY

Interims- Abbey National, Allied Partnership, BSG Intl, Blockleys, Bluebird Toys, Bostrom, Brixton Estate, Clifford Foods, Densora, Dolphin Packaging, Hawthorn Leslie, Holmes Protection, Ibstock Johnsen, Imtec, Kitty Little, London & Metropolitan, Needler, Neill (James), PCT, Proudfoot (Alexander).

Finals- Bryant, Lincat, Magnetic Materials, Trafford Park Estates.

FUTURE DATES

Interims-	
ASB Barnett Kinnings	Sep. 27
Atlas Converting	Oct. 10
Cakebread Robey	Sep. 27
Copymore	Sep. 29
Doeflex	Oct. 3
Fortnum & Mason	Oct. 4
German Smaller Companies	Nov. 7
Hay (Norman)	Oct. 3
Helical Bar	Sep. 28
Hewden Stuart	Oct. 4
Kleinwort Benson Gilt	Oct. 2
Scott & Robertson	Sep. 27
Sears	Oct. 4
Whittington	Oct. 16
Finals-	
Druck	Oct. 6
Ossory Estates	Oct. 2
Raine Industries	Oct. 3

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corres-ponding dividend	Total for year	Total last year
Brent Chemicals	int	1.4†	Nov 24	1.25	-	6
Capita Group §	int	0.8	Nov 13	-	-	-
Carbo	int	2.5	-	2.1	-	5.7
Cook (DC) §	fin	nil	-	1.9	1.33	2.85
Cornwell Parker	fin	3.6	Nov 4	3.4	5.2	4.8
Cussins Property	int	3.75	Nov 29	3.15	-	8.25
FII Group	fin	6.5	Jan 2	5.75	10	9
Finlay Packaging	int	0.75	-	0.75	-	4
GT Japan Inv Tst	fin	3.1◆	-	1.6◆	3.6◆	2◆
High-Point	fin	4.5†	-	3.75	6.75	5.75
How Group	int	1.35	Nov 24	1.125	-	3.375
Jove Invest Tst	int	3.45	-	3.06	-	6.9
Lloyd Thompson	fin	4.1	Nov 24	3.35	6	5
Ldn & Edinburgh	int	1.875	-	1.5	-	4
MAI	fin	3.3	-	3.05	4.5	4.25
Memec	int	1.5†	Nov 24	1.4	-	5.2
Metalrax	int	0.96	Oct 27	0.8*	-	3.164*
Miller (Stanley)	int	0.75	-	0.75	-	4
Myson Group	int	2.55	Nov 10	2.3	-	6.25
Platon Intl §	fin	nil	-	-	nil	0.51
Rockfort Group	int	1.4	Nov 24	-	-	2.6
Tellos	int	3.6†	Oct 27	3	-	8

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock. §§Unquoted stock. ‡Third market.◆ Includes special dividend of 1.6p(0.6p).

Metalrax Group PLC

Broad spectrum engineering specialists

Record interim results

	Six months to 30 June (unaudited) 1989	1988	
	£000's	£000's	
Turnover	29,643	24,814	+19.5%
Group profit before taxation	3,174	2,645	+20.0%
Dividends	510	418	+20.0%
Earnings per share	3.88p	3.23p	+20.1%

"Members will be very satisfied with the results for the year as a whole".

John Wardle *Chairman*

Full interim report: The Secretary, Metalrax Group PLC, Ardath Road, Kings Norton, Birmingham B38 9PN

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FT 30	FTSE 100	WALL STREET
Sep. 1935/1944 -14	Sep. 2359/2369 -11 Dec. 2401/2411 -12	Oct. 2682/2694 -7 Dec. 2699/2711 -7

Prices taken at 5pm and change is from previous close at 9pm

UK COMPANY NEWS

Media activities behind MAI's rise to £55.2m

By John Ridding

A STRONG INCREASE in its media activities, which are in the process of being formed into Europe's largest outdoor advertising operation, lifted MAI, the diversified advertising and financial services group, to pre-tax profits of £55.2m for the year to June 30.

The results, which represent an increase of 12 per cent over last year's figure of £49.29m, also reflect a reversal of the interim downturn at its core money and securities broking ivision.

The increased proportion of overseas business prompted an increase in the tax charge, and earnings per share rose only to 10.3p (10p).

Mr Clive Hollick, group managing director, said the media and market research companies "continued to show excellent growth".

The media division increased profits from £9.31m to £14.72m, reflecting the strong demand for outdoor advertising in the UK and the returns on the group's 21 per cent crossholding in Avenir, the advertising arm of the French Havas group.

In July, MAI announced that its media division would be merged with Avenir. Mr Hollick expects the deal to be completed by November and said that on the basis of Avenir's current market price, MAI's 36 per cent of the enlarged group would have a value of about £185m.

The Avenir merger reflects MAI's policy of obtaining separate listings to reduce the constraint placed on its share price by the relatively lowly rated securities and money broking businesses. In this respect, the group also has plans to float off its information division, which raised profits from £1.66m to £2.34m.

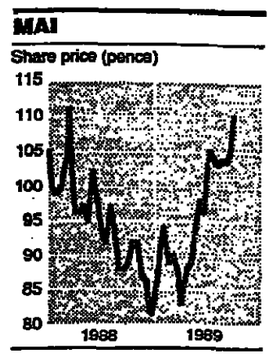
The money and securities broking activities remain the group's largest division. Profits increased from £30.43m to £32.25m because of a strong performance in foreign exchange broking and increased money broking volumes. But activity in Eurobonds, corporate bonds and UK gilts remained depressed.

The retail financial services division saw profits relatively flat at £7.12m because of the increasingly competitive car loans market.

Net assets increased to £211m and will rise to £305m following the proposed merger of the media division with Avenir. Mr Hollick said MAI had resources of about £50m to pursue further acquisitions in all of the operating divisions.

During the period, group turnover increased from £302.45m to £342.93m. The proposed final dividend is being increased 3.3p (3.05p) giving a total of 4.5p (4.25p).

See Lex



Clive Hollick: £50m resources to pursue further acquisitions

Brent Chemicals up 21% but earnings growth is restricted

By John Ridding

INCREASED DEMAND from aerospace, defence and packaging customers lifted pre-tax profits at Brent Chemicals International, to £6.11m for the six months to June 30, an increase of 21 per cent over the 1988 period.

But earnings per share only edged ahead, from 6p to 6.1p, because of a higher tax charge and the impact of dividend payments arising from last August's preference share issue.

The group also announced the acquisition of Verbeeck & Marien, a Belgian manufacturer of flexographic printing plates, by taking a majority stake for a total cost of BFr88.4m (£1.36m).

Mr Stephen Cuthbert, chief executive, said that with the exception of the pre-press services division Brent had benefited from the underlying growth of its major markets.

The pre-press businesses saw profits fall by about 20 per cent because of the downturn in consumer expenditure, but market share was increased from about 32 per cent to 39 per cent.

"I regard this downturn as a blip," Mr Cuthbert said. "We expect recovery in the UK and the market continues to grow across continental Europe."

Mr Cuthbert described yesterday's acquisition as "an important move in establishing our graphic arts business as truly European."

About 55 per cent of the company's sales are in the Netherlands and the balance in Belgium.

The acquisition used up Brent's cash holdings but by the year-end, it expects to have cash holdings of about £3m.

Group turnover increased from £39.65m to £42.06m. The interim dividend is raised from 1.25p to 1.4p.

● COMMENT

Brent's results would have been more disappointing yesterday had recent brokers' downgradings not provided a forewarning. But confirmation of the impact of the first-time preference dividend payment and evidence of slowing in certain markets still sent the shares down another 4p to 140p. The dividend has a one-off impact in terms of earnings, and will only affect the growth rate in the current year. The markets are less certain, however, with pre-press services looking sickly and electronic chemicals slowing. The stronger businesses, such as the aircraft cleaning products, will continue to show steady growth but are unlikely to push pre-tax profits above £13.1m for the full year. With lacklustre earnings growth and more difficult markets the shares are fully priced on a prospective multiple of 10.7. But with a prospective yield of over 6 per cent, there is little downside either.

Ferranti demerger proposal

By Hugo Dixon and Terry Dodsworth

HILL SAMUEL, the merchant bank, has been invited to put a proposal to the Ferranti International Signal board about demerging the troubled defence group, and pooling its naval and avionics interests with those of Thorn EMI, the electronics and retailing group.

Hill Samuel and Murray Johnstone, the Scottish fund managers, spent yesterday in meetings with Barings Brothers, Ferranti's merchant bank, and Thorn. They have also contacted about a dozen of Ferranti's institutional shareholders representing around 20 per cent of the company's share capital.

Several institutions said they thought the Hill Samuel/Murray Johnstone plan was interesting but they were sceptical that it could be made to run.

Other rescue options for Ferranti would involve selling all or part of the group to a major international defence group. Shareholders feel that, in such circumstances, they will be paid only the absolute minimum for their shares.

However, the Hill Samuel/Murray Johnstone plan would mean that shareholders would have to put up new equity to plug the hole that Ferranti thinks has emerged in its balance sheet as a result of a £200m fraud.

● A delegation of seven Labour MPs yesterday met Mr Tom King, the Defence Secretary, and pressed him to act to secure the future of Ferranti, writes John Mason.

Although they won no commitments from the Defence Secretary, Mr Gavin Strang, the MP for Edinburgh East, said Mr King had been "helpful and constructive. He made it clear that Ferranti was a very important supplier to the Ministry of Defence. They are desperately worried about it."

Mr Strang said the company had to remain independent with any infusion of capital aimed at developing operations and securing jobs.

Administrators estimate Eagle arm's debt at £12m

A BOARD meeting of Eagle Trust, the UK mini-conglomerate, on Sunday evening spawned further meetings with lawyers yesterday but no official announcement on the replacement of Mr Malcolm Stockdale, the chairman, by the expected candidate, Mr David James, a company doctor.

A consortium of Eagle's creditor banks asked Mr Stockdale to step down last week. The Serious Fraud Office is investigating Eagle's affairs, at Mr Stockdale's invitation, following the discovery of a sum of £13.5m which could not be traced by the group's auditors.

Meanwhile creditors of MCP Building Supplies, one of the main constituent parts of the Eagle Trust group until insolvency proceedings began last month, learned that the company had gone into administration with debts of nearly £23m.

Cashflow problems that emerged at MCP in 1988 were exacerbated by the resignation and non-replacement of the company's finance director, the creditors' meeting in Birmingham was told. The administrators were called in on August 4 when Eagle withdrew financial support for the subsidiary.

After realisation of assets, the administrators – Mr John Powell and Mr Michael Jordan of accountants Cork Gully – estimate that the net deficiency could be £12m.

However, Mr Powell told creditors that some aspects of MCP's financial affairs were still not clear. The net deficiency did not include, for example, some £1.2m from the sale of MCP trading outlets because some were in the name of other Eagle companies.

The administrators are also looking at MCP's indebtedness to other Eagle companies. According to the directors' statement of affairs, MCP owes group companies £6.85m.

Lloyd Thompson ahead 25%

By Eric Short

A NEAR 25 per cent increase in pre-tax profits, from £5.15m to £6.4m, was reported by Lloyd Thompson Group, the Lloyd's insurance broking concern, for the year to June 30.

Attributable profits were 22 per cent higher, at £3.87m against £3.17m, with fully diluted earnings at 12.8p per share, compared with 11.1p.

Turnover grew by nearly 38 per cent to £15.01m (£11.76m), with all areas of business generating increased brokerage, despite continued difficult market conditions with widespread premium reductions.

Wholesale marine brokerage rose from £7.8m to £8.5m, wholesale non-marine brokerage from £1.1m to £2m, and brokerage from reinsurance and political risks business and earned brokerage from £2.8m to £4.5m.

Trading expenses jumped by 35 per cent from £8.74m to £11.8m, reflecting the rapid growth of the company.

However, this expense growth was partially offset by a 50 per cent rise in other operating income, reflecting the strong rise in both dollar and sterling interest rates.

Mr Ken Carter, chief executive, stated that the group's development strategy continued to follow the route of entering new classes of business by recruiting leading professionals in those classes.

Next month, Lloyd Thompson will be expanding its non-marine operations with the formation of an international global and non-marine wholesale operation. That, said Mr Carter, would enable the group to fully participate in the opportunities arising from the single European market.

The dividend is raised from 5p to 6p, with a final of 4.1p.

● COMMENT

Since Lloyd Thompson was floated on Black Monday in October 1987, the highly competitive world insurance markets, particularly the US, has put it through an ordeal by fire from which it has emerged truly tested and well placed to expand rapidly when market conditions revive. Insurance broking is a "people" business and the group policy of hiring leading professional brokers and remunerating them for the job, in salary and options, should ensure it retains the necessary calibre of broker. Such a policy is essential if Lloyd Thompson is to continue its development strategy of diversifying and expanding its operations world-wide, while still operating primarily in specialist areas. The market was expecting these results and the share price dropped 1p to 225p. The p/e of 15 on fully diluted prospective earnings for the current year, up by a fifth on last year, does not fully reflect the group's potential once insurance market conditions improve.

Caparo accuses Armstrong on profits

By John Ridding

CAPARO GROUP, which is bidding £96m for Armstrong Equipment, has accused the engineering company of overstating profits and says there are discrepancies in its asset position.

In the formal offer document Caparo states that a £1.5m extraordinary item relating to rationalisation of Armstrong's fastenings business should have been taken above the line in the accounts for the year to July 1989.

Caparo claims that this would have caused pre-tax profits to fall below the forecast made at the beginning of the year when Wardle Storeys, made a hostile bid for Armstrong.

Caparo also claims discrepancies in Armstrong's asset position. It says that on July 1 1989 net assets were £9.9m lower than the pro forma figure announced in May 1989 andthat profits on disposals of businesses were £8.9m lower than had been indicated.

Armstrong rejected the criticisms as "ill informed".

Mr John Pratt, finance director, said that the bulk of the rationalisation costs, which are aimed at increasing the efficiency of the fastenings business, are yet to be incurred and should not impact on the 1988-89 profits.

Assets expansion by Jove Inv

Net asset value of Jove Investment Trust increased from 51.8p to 52.96p per income share and from 84.71p to 104.2p per capital share in the six months to August 31.

The company said the higher-than-usual surplus carried forward would help ensure steady increases in dividends.

Pre-tax profits were £889,741 (£633,496) and tax took £224,210 (£164,325) leaving earnings at 4.7p (3.31p). The interim dividend per income share is 3.45p (3.06p).

Finlay Packaging

Technical difficulties which affected production for several weeks left Belfast-based Finlay Packaging 41 per cent lower at £331,000 pre-tax, against £563,000 last time.

Sales fell 9 per cent to £4.45m for the six months to June 30. Earnings per share were 2.5p (4.26p) and the interim dividend is maintained at 0.75p.

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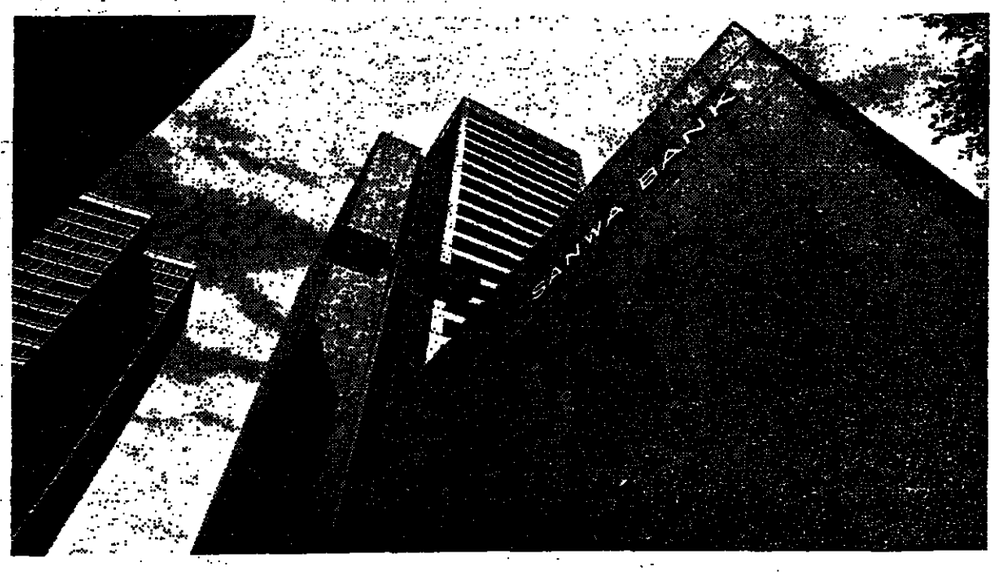

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342	295	Ass. Brit. Ind. Ordinary	342	0	10.3	3.0	9.2
38	28	Armhage and Rhodes	31	0	-	-	-
210	149	Bardon Group (SE)	197	0	4.3	2.2	29.1
125	105	Bardon Group Cv. Pref. (SE)	121xd	0	6.7	5.5	-
123	85	Bray Technologies	85	-1	5.9	6.9	7.5
110	105	Bremskill Conv. Pref	105	0	11.0	10.5	-
104	100	Bremskill 8¼ % New C.C.R.P	104	0	11.0	10.6	-
305	285	CCL Group Ordinary	288	0	14.7	5.1	3.6
176	168	CCL Group 11% Conv. Pref	168	0	14.7	8.8	-
225	140	Carbo Plc (SE)	225	+5	7.6	3.4	13.2
110	109	Carbo 7.5% Pref (SD)	110	0	10.3	9.4	-
7.5	3.125	Magnet Gp Non-Voting A Cnv*	3.875	0	-	-	-
5	1.375	Magnet Gp Non-Voting B Cnv*	1.875	0	-	-	-
130	119	Isis Group	128	0	8.0	6.3	7.3
145	58	Jackson Group (SE)	117	0	3.6	3.0	13.6
322	261	Multihouse NV (AmstSE)	295	0	-	-	-
158	98	Robert Jenkins	156	0	10.0	6.4	5.7
467	370	Scruttons	370xd	0	18.7	5.1	9.8
297½	270	Torday & Carlisle	297½	0	9.3	3.1	10.4
117	100	Torday & Carlisle Cnv Pref	110	0	10.7	9.7	-
122	92	Trevlan Holdings (USM)	113	+8	2.7	2.4	12.2
138	106	Unisurv Europe Conv Pref	138xd	0	9.3	6.7	-
395	355	Veterinary Drug Co. Ltd	385	0	22.0	5.7	9.4
370	327	W.S Yeates	329	+2	16.2	4.9	27.4

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UK COMPANY NEWS

LET tops City hopes with £31m

By Paul Cheeseright, Property Correspondent

LONDON & EDINBURGH TRUST, the diversified property and financial services group, yesterday announced a 39 per cent increase in taxable profits.

Pre-tax profits for the six months to end-June were £30.8m compared with £22.2m in the same period of last year and £50.4m for the whole of 1988.

"The diversification of our property-related activities is on course and results over the full year should not disappoint shareholders," promised Mr John Beckwith, chairman.

The figures, which emphasised the trend towards sharply higher earnings among property companies, were at the top end of City expectations. But, in a flat property sector, the immediate reaction was to prompt a modest rise in LET shares of 1p to 140p.

LET, which has been widening its property portfolio both by type and by geography, saw increases in revenue from its activities in Spain and West Germany and from associated companies like Rutland Trust in the financial services sector and London & Carlton International, which operates serviced offices.

At the same time it has taken development profits from projects in the City of London and on the M27.

But expansion has its price and interest payable in the first half was £11.4m, more than double the amount in the first six months of 1988.

Helped by acquisitions, LET's investment property portfolio has increased in value by a third over the last six months to £487.5m.

Fully diluted earnings per share were 8.6p (7.1p) and the interim dividend is raised from 1.5p to 1.875p.

● COMMENT

The market jilted LET after the October 87 crash and latterly it has been languishing on a p/e of less than 8. It is time for a re-rating. LET is not now a property developer-trader of the type the market has loved to hate. Its asset base is too solid for that; over the whole year it should produce £28m in rental income with another £12m coming through later on reviews. If the property market gets rougher in the UK — and recent abnormally high returns are bound to slip — there is some protection from overseas earnings, likely to be a quarter of the total this year. Pre-tax profits this year should comfortably top £62m and, more importantly for the market, the net asset value should come out around 180p, putting the shares on a prospective discount of 22 per cent.

Metalrax rises to £3.2m

MAINTAINED MARGINS led to the Metalrax Group of engineering specialists raising pre-tax profits from £2.65m to £3.17m in the first half of 1989.

And Mr John Wardle, chairman, said he was "in the happy position of having little concern about the second half".

Substantial capital investment, particularly in hi-tech equipment, helped the group to hold its profitable position in the market place.

The 20 per cent halfway increase was generated from sales ahead a similar amount to £29.64m (£24.81m).

Earnings rose to 3.88p (3.23p) and the interim dividend is lifted to 0.96p (0.8p).

Cussins profit doubled

A STRONG performance from its northern housebuilding subsidiary, coupled with higher rental income, enabled Cussins Property Group to lift interim pre-tax profits by 91 per cent.

While turnover for the first half of 1989 rose 29 per cent to £8.36m, taxable profits grew from £1.12m to £2.14m.

However, the joint southern-residential operation with R Green suffered the effect of subdued market conditions and reported a lower than budgeted profit.

Earnings per 20p share increased to 19.48p (10.13p) and there is an interim dividend of 3.75p (3.15p).

Group to challenge GPG break-up proposals

By David Waller

A GROUP of small shareholders in GPG is planning to "kick up hell" at today's extraordinary general meeting at which they will be asked to approve the break-up of the financial services group via the sale of three businesses to management.

Led by Mr Ron Sansom, a retired civil engineer, the investors intend to challenge the principle of the break-up plans as well as the price at which they are to be effected.

Their aim will be to get the meeting postponed so that the issues could be considered in more depth and a white knight encouraged to come forward.

Mr Sansom said that some 30 small shareholders met last week to decide on a plan of action, and 130 more had written letters expressing their disquiet about the transactions. Mr Sansom said that the board would be "harassed on everything" at the meeting.

Specific objections to the proposals include:

- The fact that directors of subsidiary companies have threatened to resign if their buy-out proposals were rejected. This applies to both Fenchurch, the UK insurance broker, and Forstmann-Leff, a US fund management operation.
- The price. Forstmann-Leff, for example, is to be sold for $25m (about £15.5m) cash plus an element of deferred payment and a small stake in the buy-out.

Mr Sansom pointed out that this compares to the $91m GPG paid for the business in 1986.

- The fact that current members of the board speak for only 8,000 shares between them.

Mr Sansom contended that the board did not represent the views of shareholders in general, let alone the 3,600 minority shareholders.

Queens Moat may issue shares to disgruntled holders

By Clay Harris

QUEENS MOAT Houses, the hotel group, is considering making a new issue of about 500,000 shares to satisfy 80 shareholders whose applications arrived too late to qualify for a recent rights offer. Another possibility is a compensatory cash payment.

The company yesterday asked Charterhouse Bank, its financial adviser, to explore ways to help extract it from an embarrassing situation which arose, in part, because of a printing error on the provisional allocation form.

Shareholders were instructed to send their applications to National Westminster Bank's new issues department in London's Commercial Road, but the form incorrectly listed the postal district as EC2 rather than E1.

Mr Martin Marcus, Queens Moat's deputy chairman and joint managing director, said yesterday that the error was discovered shortly after the forms were posted. "We were assured 100 per cent [by NatWest] that arrangements had been made [with the Post Office] to cover it," Mr Marcus said.

"What seems to have happened is that cheques posted about September 6 or 7 were not handled properly," Mr Marcus said. "People who posted on September 10 got their shares."

The issue officially closed at 3pm on September 11, although Charterhouse disclosed yesterday that it had kept applications open for an extra day.

That was not long enough for Mrs Vivién Dyson, who posted her acceptance recorded delivery from Shenfield, Essex, on September 7 and was told that it arrived on September 14.

A Queens Moat shareholder for more than eight years, she said yesterday that she had always taken up her rights in the Essex-based hotels operator. "I don't want the cheque, I want my shares," she said.

It is a refrain that Mr Marcus has heard repeatedly from aggrieved small shareholders in recent days.

"If there's anything that we can possibly do to put it right we will do so," he said. Mr Robin Grant, of Charterhouse, described the events as a "catalogue of accidents," but Mr Marcus said: "We as a company have the ultimate responsibility."

Strong second half lifts FII 26% in year

A 60 per cent increase in second-half profits at FII Group, the footwear manufacturer, lifted the full year result to £7.06m pre-tax.

This represented a 26 per cent rise over the previous annual figure.

Turnover in the year to May 31 moved ahead to £66m (£60.31m).

Earnings per share worked through at 36.6p (30.7p). The recommended final dividend of 6.5p (5.75p) makes total for the year of 10p (9p).

Seasonal nature of activity leaves Spear deeper in red

THE SEASONAL nature of activity, both in the UK and in France, coupled with the impact of reduced export sales resulted in "apparently high loss figures" at JW Spear & Sons, the games and toys manufacturer, in the six months to June 30.

Losses before tax were £899,000 (£747,000) on turnover just ahead at £5.45m (£5.16m). The company said that cost savings were expected to flow from improvements in UK production activity, but not fully until later in the year and beyond.

The company also blamed increased toy fair costs and redundancy costs for the depressed results.

Interest payable rose to £126,000 (£84,000), though tax receivable was up at £335,000 (£289,000), leaving losses per share of 11.59p (9.41p) at the basic level and 10.24p (8.31p) fully diluted.

There was an extraordinary credit of £91,000 (nil) relating to the sale of the Hayter jigsaw factory, less closure costs.

£7.4m acquisition for Porter Chadburn

PORTER CHADBURN, a holding company with interests in consumer and leisure products, specialist distribution, and manufacturing and packaging, is to acquire Fleckhope Group for a maximum £7.35m.

Fleckhope is a distributor and wholesaler of fishing tackle.

The initial consideration is £6.7m, payable on completion and satisfied by £1.65m cash and the issue to certain of the vendors of £3.02m nominal of loan notes in Porter Chadburn.

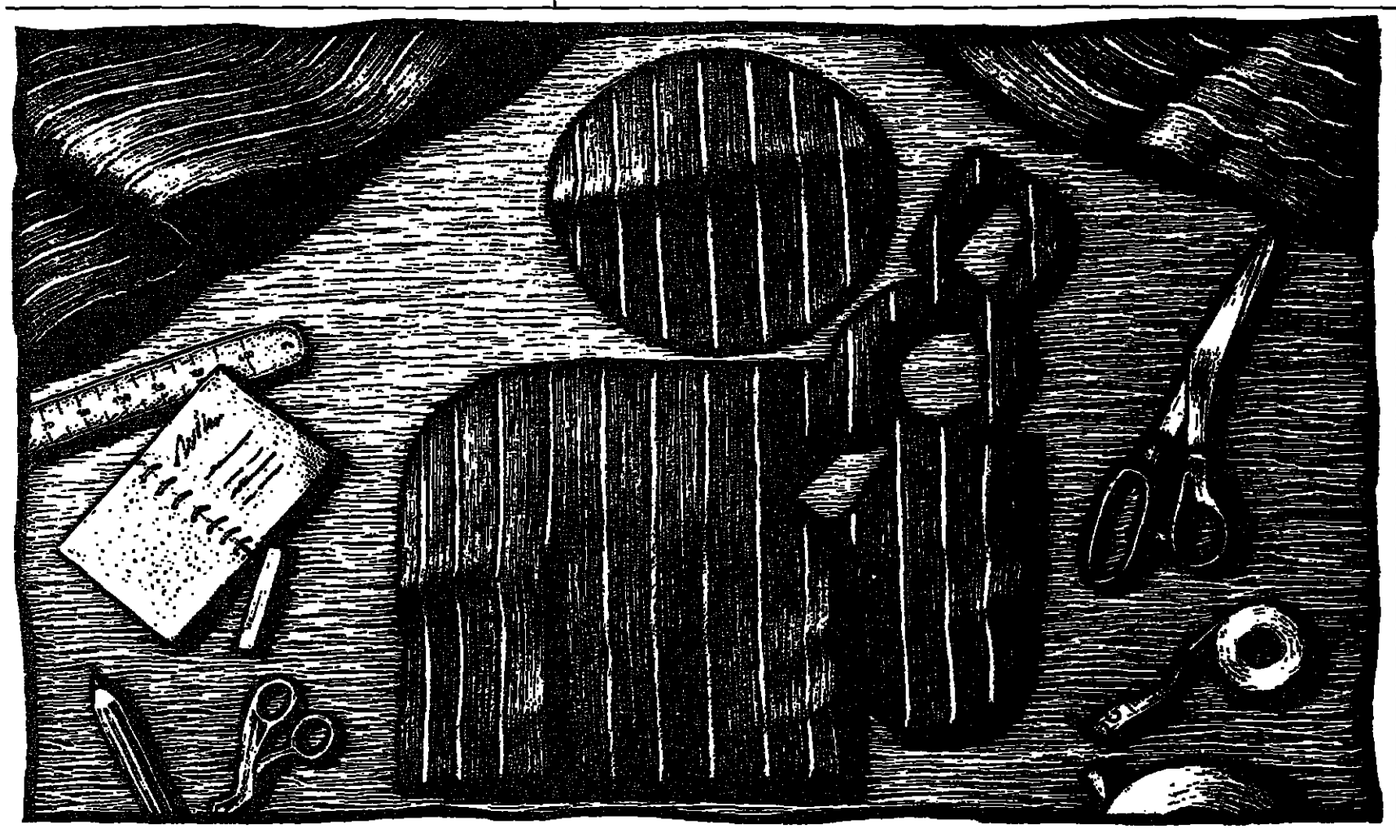
The deferred consideration, to a maximum of £650,000, is payable if Fleckhope's pre-tax profits for for 1989 – before non-recurring directors' pensions and after the amount attributable to minority interests – exceeds £1m.

How Group shows increase to £2.4m

The How Group increased turnover 18 per cent and pre-tax profit 19.5 per cent in the half year to June 30.

This building services contractor produced sales of £100.52m (£85m) and profits of £2.44m (£2.04m). The directors said results were much in line with expectations. The year should continue satisfactorily in view of the amount and quality of contracts.

Earnings came to 3.9p (3.2p) and the interim dividend is 1.35p (1.125p).



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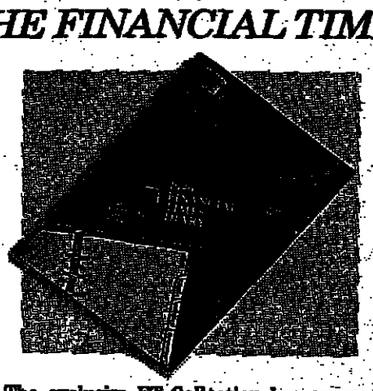

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UK COMPANY NEWS

The use of forecast losses as a defence

Nikki Tait sums up the various arguments behind Blacks' bid for Goldberg

IN A conventional bid battle, the defending company, anxious to see off a hostile predator, makes a profits forecast which is as high as it can sensibly deliver and low enough to be credible.

Not A Goldberg. As the final closing date looms tomorrow in the unhappy £32m tussle with Blacks Leisure, this Glasgow-based stores group has been *obliged to tell* shareholders that operating losses in the first five months of the year have been incurred at a higher rate than in the second half of 1988/9. In that period, Goldberg made a trading loss of £3.26m.

Paradoxically, however, the question now is whether this dismal warning may have given the company its best chance of surviving the attack. For Blacks has made no attempt to underwrite its all-paper terms as a result.

And that, in turn, has left shareholders with a stark and unenviable three-way choice.

They can accept the original 22-for-one share swap offer from Blacks; they can retain their Goldberg paper; or they can try to sell into the market.

Blacks, of course, is anxious to stress the advantages of the first option. The camping and sportswear retailer rests its case on three points. First, it claims that its own management team could bolster Goldberg's internal resources; second, it suggests that Blacks' menswear and womenswear suppliers could help on the merchandise front; and third, it maintains that indigenous Blacks businesses could usefully expand into some of the Goldberg retail space.

Elaborating on this last *point*, *Mr* Simon Bentley, Blacks chief executive, argues that as many as 40 retail outlets belonging to Goldberg could be redeployed as either Blacks camping outlets, or be utilised by its Alpine and First Leisure chains.

What has never been any secret is that Blacks would also sell Goldberg's department store sites in Glasgow and Edinburgh. At the start of the bid, Blacks suggested that some £12m might be realised here – virtually double the latest book value.

And this, coupled with Goldberg's relatively strong asset base, could usefully strengthen the Blacks balance sheet. On a crude pro forma basis – which, admittedly, ignores the *effect of the* recent Goldberg losses – analysts estimate that gearing for the merged group might stand at around 50 per cent, while Blacks, on its own, put net debt in August at £10.4m, against a February net asset figure of £7.3m.

The problem faced by the market is that Blacks, as a retail proposition, is something of an unknown quantity – with the result that analysts' views on this commercial case are sharply divided.

Blacks itself is keen to dissociate itself from its former image as one of the bull market's highest-flying shell companies. But even if the recent management changes are taken to signal a new order, the fact remains that Goldberg shareholders have little evidence of the "new" Blacks record on which to base any judgment.

It should be added that these "industrial" arguments have never formed the cornerstone of Goldberg's case, although it has questioned the extent of Blacks' current fashion retail experience. Its own contribution – aside from the profits warning – has been a sharp attack on the wisdom of accepting Blacks paper, plus *some* general indications that it is attempting to tackle the trading problem with a mixture of retail initiatives and cost controls.

On the latter score, analysts are *less* than enthused. *Full* year forecasts for 1988/9 range from a £2m deficit to as much as £3m to £4m, although most carry the caveat that sensible predictions are virtually impossible. And while there is some acknowledgement that Goldberg could have recovery potential in the longer term, few expect a significant profit before 1991/2.

To the Goldberg side of the picture, should be added the shadowy figure of Fletsand, the company resulting from the management buy-out of the Lewis's stores from Sears last year. Fletsand has made some modest share purchases of Goldberg stock, and suggested that if the Blacks bid fails it would re-open friendly discussions with the defending camp.

Again, however, analysts tend to be sceptical – pointing that no up-to-date accounts are available for Fletsand and if the notion is some sort of reverse takeover, the benefits to shareholders remain unclear.

The third option – on which most commentators have alighted – is to sell in the market. Unfortunately, while this route may have some attractions for small shareholders, brokers *were* suggesting yesterday that it is scarcely a feasible option for anyone wishing to deal in significant amounts. Blacks itself, which could buy up to 10 per cent of Goldberg, has made no market forays.

So where does this leave shareholders?

A suggestion, made public by Goldberg's advisers, that Blacks should underwrite its paper at 6p a share and that a recommendation might then be forthcoming, brought no response. Perhaps, one impression designed to flow from this was that the Blacks price might not be underpinned at this level if the bid went through. In the event, one analyst has suggested that the downside could be closer to 4p; another goes for 6p.

This point, however, should be countered by consideration of where Goldberg might end up if Blacks fails. Blacks has pointed out that Goldberg itself effectively set a sale price of 132p on the group.

And again, analysts are rather more gloomy, suggesting that the downside could take the price nearer to 100p. The only hope is that both the presence of Charterhall's 29.9 per cent stake, clearly up for sale, and Fletsand-type speculation might provide some ongoing speculative prop, at least in the short term.

In practice, however, the outcome probably rests with a handful of institutions – in particular, Scottish Amicable, *holding over 6 per cent of the* shares and rumoured to be wavering. Blacks has already claimed control of 35 per cent, including the Charterhall stake; on the other side, the Goldberg family with 17 per cent can be expected to reject the Blacks paper.

As ever, decisions may be last minute and difficult. But, somehow the prospect of adding a little-known management team and additional debt to a situation which is troubled enough in the first place does not seem the sort of solution which institutions are normally keen to embrace. If so, Goldberg may yet live – at least, to attempt to find a happier solution.

This announcement appears as a matter of record only. *26th September, 1989*

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NEWS DIGEST

Memec falls in 'difficult conditions'

MEMEC (Memory and Electronic Components), the Oxfordshire-based distributor of electronic components, microprocessor systems and related equipment, experienced "difficult market conditions" in the first half of 1989, leading to a decrease in gross and net margins and a fall in pre-tax profits.

The taxable figure of £3.39m (£4.1m) was struck on sales 21 per cent ahead at £49.04m (£40.42m). The company said that sales growth came from geographic expansion and further additions to the product range.

Earnings dipped to 7.79p (9.74p) per share, though the interim dividend is lifted to 1.5p (1.4p).

The company expected conditions to remain difficult, but was confident that sales could climb and that, with its rigorous inventory and cost control programmes, long-term profitable growth could be achieved.

Rockfort profits virtually unchanged

Profits in the first half of 1989 from Rockfort Group have been maintained under a new accounting policy which capitalises interest on non-residential developments.

Profit of this property developer worked through at £2.79m, against a restated £2.78m. Under the old system of taking interest costs through the profit and loss account, it would have fallen from £3.03m to £2.4m.

Turnover increased to £27.8m (£20.3m) and operating profit was £4.4m (£3.15m), before interest charges of £1.61m (£367,000). Earnings were 4.2p on higher capital (6.2p) and there is an initial interim dividend of 1.4p.

Mr Roger Smee, chairman, said on the commercial side the principal contributor was the office development in Reading; also a substantial amount came from the sale of Kingsway Hall, in London. In the second half a number of schemes were due for completion.

Carbo progresses to £2.2m

Carbo, the abrasives and plastics group, lifted pre-tax profits from £1.85m to £2.2m in the six months to June 30. Sales rose by *£1.9m to* £32.62m.

Interest payable was up at £89,000 (£71,000). Earnings were 12 per cent ahead at 9.5p per 5p share. The interim dividend is raised to 2.5p (2.1p).

Mr Trevor Egan, chairman, said the interest expense would be higher in the second half, reflecting the higher level of borrowing to finance the £2.5m acquisition in July of General Moulders.

Telfos surges to midterm £2.9m

Substantial growth on the engineering side enabled Telfos Holdings to lift pre-tax profit from £1.96m to £2.89m in the first half of 1989.

Turnover was more than doubled at £22.68m (£10.35m) while operating profit moved up to £3.24m (£1.85m). Interest charges rose to £751,000 (£101,000).

The directors said engineering contributed £2.84m (£1.06m) to profits. Manufacturing subsidiaries should continue to benefit from higher order books in the second half.

Earnings worked through at 11p (7.5p) and the interim dividend is 3.6p on capital increased by a rights issue (3p).

Cut in costs helps Platon reduce loss

A substantial reduction in administrative costs enabled Platon International, the USM-quoted maker of flow and pressure measuring and controlling instruments, to cut losses from £957,000 to £561,000 in the year to March 31.

With turnover down at £5.63m (£7.02m), distribution costs were reduced to £644,000 (£730,000) and administration costs to £1.45m (£2.1m). There was no exceptional debit this time (£374,000), though interest payable rose to £394,000 (£354,000).

USM for insurer tagged at I£38.65m

FBD Holdings, the farmer-controlled diversified insurance group, has applied for its shares to be traded on the Unlisted Securities Market in Dublin and London. At the same time the company announced a I£4.32m (£3.75m) share placing.

Wm MORRISON SUPERMARKETS PLC

INTERIM RESULTS

	27 weeks ended 5 August 1989 £000's	26 weeks ended 30 July 1988 £000's	52 weeks ended 28 January 1989 £000's
Turnover	372,045	275,862	603,659
Operating Profit	18,968	12,980	28,742
Profit before taxation	16,721	13,841	32,151
Profit after taxation	10,772	8,865	22,092
Earning per share	5.06p	4.08p	10.49p
Dividends per share	0.30p	0.275p	1.15p

★ *Turnover increase 34.9%*
★ *Operating profit increase 46.1%*
★ *Profit before taxation increase 20.8%*

MORRISONS

Interim report and statement may be obtained from: The Secretary, Wm Morrison Supermarkets PLC, Hilmore House, Thornton Road, Bradford, West Yorkshire. BD8 9AX.

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reports Trevor Egan Chairman and Chief Executive

- Pre-tax profits increased by 18.8% on sales 6.3% higher
- Semi-automated Polybau factory in Switzerland commissioned
- Two new acquisitions in injected moulded plastics business

INTERIM RESULTS

Six months to 30th June	1989 £'000	1988 £'000
Sales	32,167	30,265
Profit before taxation	2,196	1,849
Taxation	944	740
Earnings per share	9.5p	8.5p
Dividend per 5p Ordinary share	2.5p	2.1p

Copies of the full Interim Report are available from H. Kirk, Carbo plc, Lakeside, P.O. Box 55, Trafford Park, Manchester M17 1HP.

LLOYD THOMPSON GROUP plc

WHOLESALE INSURANCE AND REINSURANCE BROKERS

PRELIMINARY RESULTS
For the year ended 30 June 1989

	£,000	
Turnover	15,009	+28 %
Profit before taxation	6,405	+24 %
Diluted earnings per share	12.8p	+15 %
Dividend	6.0p	+20 %

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The Issuer will redeem the following 1800 Bonds at 100% of the principal amount plus accrued interest to the redemption date:

34	3352	8467	10911	13388	16433	20113	23266	26997	29237	32405	35885	40239	43823	48048	50163	52719	57833
36	3398	8505	10928	13395	16507	20139	23278	27007	29263	32409	35919	40271	43827	48088	50185	52741	57834
141	3405	8581	10935	13408	16512	20164	23283	27061	29287	32416	35943	40294	43837	48103	50194	52760	57859
168	3435	8583	10962	13445	16517	20208	23307	27087	29336	32432	35957	40343	43847	48152	50203	52771	57888
176	3523	8588	10967	13506	16521	20211	23333	27088	29381	32483	35977	40361	43883	48165	50204	52776	57912
193	3524	8595	10978	13559	16564	20225	23338	27102	29403	32509	36011	40381	44006	48189	50259	52802	57915
216	3527	8603	11003	13585	16571	20227	23351	27133	29433	32533	36062	40409	44014	48193	50271	52837	57943
217	3532	8609	11011	13591	16814	20413	23653	27159	29459	32556	36089	40431	44039	48210	50291	52846	57947
286	4008	8632	11015	13618	16815	20419	23661	27173	29476	32588	36133	40483	44054	48223	50303	53403	57971
289	4014	8655	11102	13754	17021	20425	23665	27184	29554	32595	36163	40511	44069	48245	50324	53408	57972
300	4029	8656	11128	13773	17095	20444	23678	27197	29585	32611	36178	40557	44202	48256	50342	54005	57985
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629	4787	8910	11345	13916	17278	20605	23916	27358	29836	32852	36436	40812	44382	48415	50532	54188	58108
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734	4809	8953	11398	14019	17291	20867	24215	27405	29985	32987	36594	40908	44959	48482	50583	54228	58166
735	4838	8955	11405	14092	17303	20869	24243	27421	29997	33202	36621	40966	44985	48509	50597	54280	58169
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867	4958	9038	11471	14610	17346	20937	24338	27533	30113	33367	36777	41081	45111	48593	50662	54347	58221
959	4959	9041	11482	14611	17349	20941	24345	27565	30137	33409	36793	41119	45112	48607	50693	54353	58246
989	5028	9094	11553	14637	17364	20967	24372	27582	30157	33451	36804	41167	45149	48632	50721	54382	58269
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1057	5086	9183	11598	14719	17409	21045	24435	27608	30286	33561	36913	41217	45183	48742	50779	54455	58292
1080	5177	9477	11603	14722	17416	21049	24463	27634	30318	33598	36933	41235	45195	48798	50796	54463	58307
1162	5183	9478	11609	14761	17435	21063	24483	27684	30348	33607	36988	41283	45457	48805	50803	54478	58333
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1198	5211	9513	11622	14791	17555	21077	24518	27731	30413	33661	37031	41347	45492	48835	50841	54512	58367
1205	5218	9521	11692	14804	17556	21089	24532	27792	30464	33683	37083	41433	45730	48868	50865	54541	58378
1239	5228	9522	11759	14962	17566	21112	24584	27804	30493	33752	37108	41481	45731	48898	50920	54563	58388
1268	5377	9532	11804	14963	17585	21116	24587	27811	30543	33785	37157	41532	45739	48911	50942	54583	58397
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1343	5448	9602	11822	14991	17602	21178	24608	27863	30564	33831	37203	41593	45810	48958	50967	54603	58411
1406	5465	9607	11966	14998	17609	21279	24678	27882	30605	33867	37229	41596	45859	48963	50988	54612	58442
1408	5466	9621	11993	15002	17615	21284	24684	27903	30635	33882	37257	41604	45884	48995	50995	54644	58467
1435	5473	9645	11998	15003	17616	21289	24714	27932	30671	33933	37303	41613	45932	49011	51005	54698	58481
1592	6480	9663	12006	15011	17641	21296	24754	27968	30719	33989	37342	41637	45956	49037	51006	54706	58486
1597	6481	9667	12061	15012	17666	21307	24757	27977	30759	34002	37394	41681	45994	49038	51035	54728	58503
1598	6497	9703	12088	15039	17679	21313	24765	27999	30796	34025	37409	41736	46007	49071	51041	54751	58532
1602	6514	9727	12133	15055	17694	21335	24784	28003	30808	34038	37451	41784	46016	49099	51075	54762	58538
1606	6528	9733	12162	15065	17695	21342	24791	28005	30838	34109	37491	41804	46021	49122	51099	54789	58564
1661	6542	9741	12188	15105	17727	21364	25805	28018	30867	34133	37533	41833	46535	49138	51148	54797	58568
1670	6608	9804	12204	15111	17746	21379	25812	28019	30892	34190	37552	41867	46563	49156	51171	54803	58575
1671	6628	9808	12254	15114	17757	21504	25838	28041	30913	34203	37595	42005	46589	49185	51193	54852	58582
1672	6726	9813	12285	15180	17763	21508	25858	28059	30941	34239	37602	42018	46605	49193	51205	54899	58593
1843	6730	9881	12291	15181	17768	21512	25883	28078	30989	34312	37639	42068	46611	49205	51238	54910	58604
1891	6770	9882	12367	15187	17777	21538	25884	28127	30996	34339	37656	42086	46637	49214	51262	54911	58609
1940	6777	9907	12396	15193	18008	21543	25913	28156	31008	34365	37705	42132	46693	49232	51275	54928	58636
1941	7027	9957	12403	15197	18012	21554	25918	28192	31019	34397	37757	42183	46717	49251	51282	54938	58661
1992	7052	9978	12409	15202	18013	21685	25923	28204	31068	34405	37781	42211	46733	49307	51303	54954	58685
1993	7132	9986	12417	15207	18019	21691	25937	28231	31112	34439	37818	42238	46734	49338	51337	54986	58704
2000	7136	9992	12531	15212	18025	21696	25954	28261	31145	34511	37831	42287	46779	49353	51353	54992	58708
2011	7162	10015	12589	15386	18039	21765	25957	28288	31197	34529	37888	42331	46783	49384	51368	55930	58729
2040	7186	10017	12594	15394	18064	21779	25984	28316	31208	34581	37935	42389	46791	49393	51396	55957	58734
2041	7204	10095	12620	15397	18083	21791	25988	28332	31263	34598	37954	42397	47335	49398	51406	55973	58741
2086	7232	10131	12663	15411	18103	21803	25993	28353	31312	34609	37987	42404	47363	49406	51431	55977	58771
2093	7258	10136	12756	15413	18107	21848	26002	28371	31339	34652	37997	42413	47368	49422	51483	55986	58795
2169	7310	10138	12784	15418	18153	21911	26005	28393	31386	34703	38008	42438	47383	49423	51515	55993	58801
2206	7335	10402	12791	15423	18157	21920	26015	28399	31396	34737	38019	42485	47397	49446	51554	56334	58815
2209	7361	10403	12797	15427	18164	21924	26020	28405	31407	34759	38028	42534	47410	49464	51563	56365	58844
2283	7377	10419	12803	15484	18171	21986	26034	28435	31461	34794	38034	42583	47436	49483	51568	56396	58869
2286	7389	10420	12806	15487	18191	22005	26046	28462	31489	34803	38411	42605	47461	49507	52045	57214	58894
2326	7404	10432	12813	15528	18201	22011	26055	28479	31545	34839	38487	42639	47493	49532	52071	57243	58932
2327	7409	10456	12814	15534	18202	22044	26063	28502	31585	34867	38534	42671	47499	49567	52084	57264	58939
2405	7415	10462	12822	15553	18203	22135	26078	28532	31605	34883	38583	42698	47523	49596	52092	57285	58957
2412	7416	10513	12862	15558	18209	22157	26093	28543	31634	34935	38594	42721	47542	49604	52102	57311	58963
2416	7447	10521	12885	15561	18230	22159	26097	28569	31652	34989	38595	42743	47543	49611	52117	57336	58991
2492	7452	10527	12906	15586	18258	22213	26536	28594	31691	35019	38611	42803	47556	49633	52141	57351	59002
2498	7518	10536	12911	15591	18262	22215	26541	28599	31744	35032	38625	42817	47579	49658	52167	57381	59029
2499	7543	10557	12931	15599	18264	22219	26565	28603	31792	35084	38739	42865	47605	49682	52178	57391	59051
2603	7561	10583	12972	15603	18272	23008	26571	28612	31807	35137	38808	42884	47609	49708	52182	57394	59079
2654	7587	10591	12987	15609	18410	23021	26585	28619	31858	35161	38882	42931	47641	49746	52206	57403	59108
2664	7631	10592	12992	15614	18418	23034	26594	28669	31891	35193	38957	42962	47642	49769	52231	57431	59141
2716	7657	10609	12996	16006	18443	23037	26605	28676	31925	35205	39019	43008	47666	49777	52280	57461	59146
2784	7684	10627	12997	16011	18517	23083	26611	28685	31932	35259	39088	43054	47686	49780	52317	57488	59183
2793	7685	10635	13003	16012	18555	23091	26623	28731	31993	35281	39161	43091	47703	49802	52326	57514	59204
2803	7704	10683	13007	16038	18559	23113	26649	28766	32005	35332	39212	43143	47752	49809	52332	57522	59210
2821	7712	10687	13027	16056	18566	23117	26656	28783	32037	35363	39261	43156	47790	49819	52350	57546	59214
2822	8213	10716	13143	16064	18579	23118	26679	28798	32081	35394	39307	43196	47795	49843	52373	57570	59218
2838	8214	10718	13163	16082	18593	23131	26708	28813	32121	35411	39406	43206	47803	49863	52382	57578	59245
2913	8252	10719	13167	16088	18599	23156	26742	28888	32163	35439	39431	43216	47804	49881	52383	57592	59255
2927	8287	10762	13177	16195	18730	23157	26756	28913	32198	35482	39485	43223	47819	49906	52485	57604	59269
3010	8327	10787	13185	16197	18737	23171	26777	28933	32204	35535	39915	43606	47831	49936	52514	57612	59278
3056	8331	10806	13196	16205	18767	23174	26803	28956	32212	35567	39936	43618	47847	49967	52531	57638	59300
3059	8333	10813	13203	16207	18839	23202	26812	28983	32238	35584	39947	43642	47881	49986	52569	57663	59436
3155	8353	10816	13207	16233	18892	23207	26836	29006	32265	35602	40010	43662	47908	50003	52576	57688	59452
3177	8389	10841	13220	16236	18921	23209	26846	29027	32296	35639	40039	43683	47932	50011	52592	57709	59462
3196	8390	10853	13231	16364	18922	23213	26863	29106	32324	35683	40061	43711	47953	50036	52603	57733	59487
3257	8403	10858	13235	16391	19071	23221	26914	29143	32346	35739	40137	43768	47986	50069	52631	57758	59503
3268	8404	10865	13242	16406	20019	23234	26949	29171	32369	35782	40158	43784	48005	50089	52648	57768	59518
3274	8405	10878	13311	16414	20065	23245	26952	29199	32377	35794	40184	43804	48012	50114	52686	57793	59556
3344	8463	10884	13341	16416	20088	23257	26986	29205	32383	35823	40213	43813	48025	50136	52706	57808	59568

Interest will cease to accrue on the Bonds called for redemption on and after November 1st, 1989 and Bonds so presented for payment should have attached all Coupons maturing after that date.

Bonds to be redeemed will become due and payable on November 1st, 1989 at the offices of:

The Fiscal Agent in London and Montreal, the office of S.G. Warburg & Co Ltd in London, the principal office of Bank of Montreal Trust Company in New York City, the main office of Kredietbank N.V. in Brussels, the main office of Westdeutsche Landesbank Girozentrale in Dusseldorf, the main office of Commerzbank Aktiengesellschaft in Frankfurt/Main, the main office of Kredietbank S.A. Luxembourgeoise in Luxembourg, the main office of Credit Lyonnais in Paris, the main office of Banco di Roma in Rome and the head office of Credit Suisse in Zurich.

Bonds drawn for the 1988 mandatory Sinking Fund and not yet presented for payment:

263	791	2515	3060	5798	7710	8639	9150	9443	10784	11736	12200	12445	12980	14883	21070	40724	54729
598	1008	2599	3305	6671	8510	9002	9175	9452	10804	11768	12238	12575	13282	14988	22749	52060	54732
589	2515	2637	3962	7220	8574	9149	9190	9922	11652	12087	12368	12576	13510	16363	38595	52061	

BANK OF MONTREAL, LONDON
Fiscal Agent
September 26th, 1989

EC reaches agreement on New Zealand produce

By Tim Dickson in Brussels

EUROPEAN COMMUNITY Agriculture Ministers last night concluded an important three-way deal, securing agreement on the level of New Zealand butter and lamb imports over the next three years and finalising the terms of the EC's newly-reformed sheepmeat regime.

The breakthrough, which came after months of deadlocked negotiations, will be greeted with relief in New Zealand where farmers will now be able to plan their meat and dairy exporting programmes with greater certainty.

By formalising the outline political accord on sheepmeat reached by the EC Farm Council in July, yesterday's deal also marks another step along the road to a more market oriented EC farm regime.

The terms of the agreement which has been struck with the New Zealanders are exactly the same as those negotiated by the then Agriculture Commissioner, Mr Frans Andriessen, and New Zealand's Trade Minister, Mr Mike Moore, in the autumn of last year.

On butter, it provides for an EC import quota (exclusively for the UK) of 64,500 tonnes this year, falling in equal steps to 55,000 tonnes by 1992. Last year, the quota was 74,500 tonnes.

The levy paid on these imports was previously 25 per cent but has now been reduced to 15 per cent.

So far this year, New Zealand is estimated to have sent 55,000 tonnes – because the agreement has been back-dated to January 1 this means that quantities sent between now and the end of the year will certainly have to be scaled back.

Several member states – notably France and Ireland – had been anxious to go for a larger reduction but their opposition appears to have been dropped in the face of the European Commission's firm stand.

On sheep-meat, New Zealand will be allowed to send 205,000 tonnes under a new voluntary restraint agreement, compared with the theoretical 245,000-tonne limit allowed under the terms of the previous arrangement. There will also be an explicit limit of 6,000 tonnes of chilled New Zealand meat.

The new internal EC sheepmeat regime marks the dismantlement of Britain's variable sheep-meat premium and represents a move towards a two-tier heavy lamb/light lamb subsidy system for the years to come.

● The UK Agricultural Supply and Trade Association (UKASTA) estimates the 1989 British wheat harvest at 14.5 mln tonnes, 600,000 tonnes more than the official Agriculture Ministry forecast issued last week, reports Reuter.

The total UK grain harvest is estimated at 23.03m tonnes, compared with 22.5m tonnes by the Agriculture Ministry, UKASTA said.

Drought forces Turkey to import grain

SHIPPING CONTRACTS for the import of 2.58m tonnes of grain have been awarded by Turkey's state-owned Soil Products Office, writes Jim Bodgener in Ankara.

Drought this year has reversed last year's net export surplus for Turkey's grain output, forcing the import of 5m to 6m tonnes costing up to $1bn.

The grains, mostly wheat, will be supplied from diverse origins – Argentina, South Africa, Saudi Arabia, Spain, Yugoslavia, the UK, the US, France and West Germany.

Cuba boosts nickel supplies

By Kenneth Gooding, Mining Correspondent

CUBA IS emerging as an increasingly important supplier of nickel to the West, Shearson Lehman Hutton points out in its latest annual survey of the nickel market.

Communist countries already account for about 10 per cent of the nickel supplies to the West, contributing 74,000 tonnes in 1988. So far, the bulk has come from the Soviet Union, but Shearson forecasts Cuban exports to the West, estimated at 12,000 tonnes in 1988, will rise to 14,000 tonnes this year and to 18,000 tonnes in 1990.

This will help boost communist nickel exports to the West to 80,000 tonnes this year and "we expect net supplies to be maintained at these levels during 1990," says Mr Jim Lennon, co-author of the report.

For some years severe operating problems have held back output from the Punta Gorda nickel smelter in Cuba, which has an annual capacity of 30,000 tonnes. Soviet experts helped the Cubans to overcome the difficulties, he says.

The report also suggests that the bull market for nickel will end late in 1989. There will be a surplus of supply over demand of about 46,000 tonnes this year after seven consecutive years of deficit.

Consequently, Shearson predicts that the London Metal Exchange cash price of nickel will fall to an average of $4.25 a lb next year from a forecast average of $6.20 in 1989 and the actual $6.27 last year.

The surplus will partly arise from cuts in stainless steel production, which accounts for about 60 per cent of nickel usage. Shearson estimates that stainless output will decline from 10.52m tonnes last year to 10.41m tonnes this year and to 10.21m tonnes in 1990.

Meanwhile nickel production will increase as a result of higher operating rates and expansion at existing smelters. Production is forecast to rise from 558,000 tonnes last year to 577,500 in 1989 and to 616,400 in 1990. Consumption is predicted to fall from 670,000 tonnes last year, to 666,000 in 1989 and to 650,000 in 1990.

Shearson's annual review of the silver market has also been published. Ms Rhona O'Connell, the group's precious metals analyst, says silver's investor appeal has waned over the past 18 months. The core of physical investment activity is concentrated in the US and there has been so much disinvestment from North American small bar holders that pressure has been put on refinery space.

In the next six months industrial demand might take the silver price up to $6 a troy ounce, suggests Ms O'Connell, but then the lack of private investor interest will drive it back down towards $5 again.

Consequently, silver prices are predicted to average $5.50 an ounce this year, down from $6.53 in 1988. Next year prices are expected to range between $4.85 and $6 an ounce and to average $5.30.

Annual Reviews: World Nickel Industry 1989; World Silver Industry 1989. free to clients or £1,000 or £2,000 each from Shearson Lehman Hutton, 1 Broadgate, London EC2M 7HA.

LME WAREHOUSE STOCKS
(Change during week ended last Friday) tonnes

Aluminium	+1,125	to 82,400
Copper	+13,500	to 110,700
Lead	−1,575	to 36,425
Nickel	+702	to 4,446
Zinc	+1,200	to 69,025
Tin	+730	to 4,250

Glasnost comes to the Soviet oil industry

Karen Fossli on a new eagerness for co-operation following Barents Sea gas finds

WESTERN OIL companies have responded enthusiastically to recent active overtures from Moscow calling for their participation in the exploration and subsequent development of oil and gas fields in the politically sensitive Soviet Barents Sea.

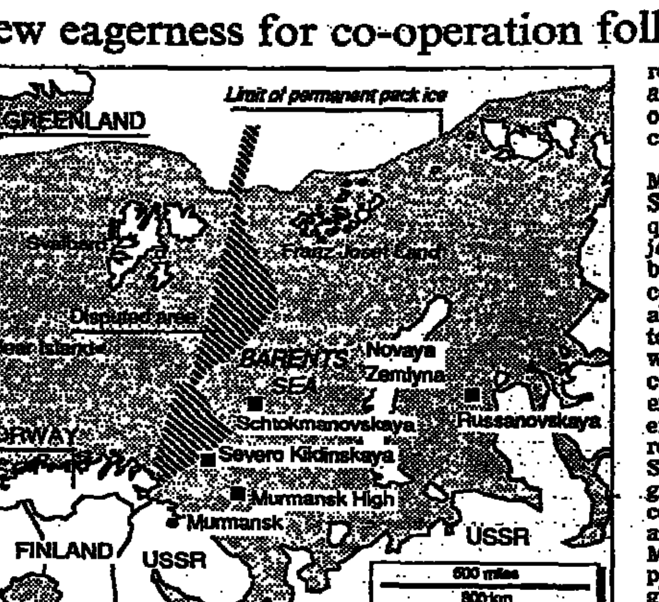
The Soviet Union is reported to have made five natural gas discoveries and identified 19 additional structures in the Barents Sea since exploratory drilling began in 1982, according to sources. Exploration efforts have concentrated on the discovery of oil deposits for the country has become increasingly hooked on hard currency revenue from oil exports. Since the early 1980s oil has accounted for 60 per cent or more of this income.

According to researchers at the Fridtjof Nansen Institute in Oslo: "It is believed that 35 per cent of all expected offshore oil resources are accumulated in the European part of the USSR. . . Soviet estimates from the 1970s indicated a potential of 2,200m tonnes of oil in this area (and). . . may explain some of the Soviet interest for exploration drilling in the area."

Last month Soviet officials visiting Norway gave details of two big offshore gas fields, believed to be the world's largest, discovered in the Barents and Kara Seas.

Norwegian officials and delegates attending an oil conference in northern Norway were given a display of glasnost not previously experienced in oil industry circles.

Well logs detailing rock properties in two boreholes drilled in the Schtokmanovskaya and Russanovskaya discoveries were exhibited to a very surprised audience.



Geologists from a number of Norwegian and foreign oil companies attending the speech and visual display by Mr Ostap Sheremeta, a senior official in the Soviet Ministry of Oil and Gas, said that well logs were seldom, if ever, displayed publicly because they had a commercial value; but this time the exercise was undertaken by the Soviets in an effort to capture western interest.

Norsk Hydro, Norway's largest publicly-quoted company, which has interests in oil and gas, hosted a luncheon for Mr Sheremeta and his entourage as part of its effort to strengthen the company's position while seeking inclusion in Soviet petroleum projects.

Norsk Hydro last year opened an office in Moscow and is discussing with the Soviets several possible areas of co-operation in specific projects ranging.

"We are interested to see if there is a basis for feasible petroleum activity in the (Soviet) Barents Sea," Mr Svein Breivik, head of Hydro's international division, explained recently. He also expressed interest in participating in developing Soviet Barents Sea oil and gas fields.

The Soviet Union has made three major gas discoveries in the Barents and Kara Seas for which it needs western technology and development expertise. Previously, during the Brezhnev era, Norsk Hydro and Saga Petroleum, another Norwegian oil company, offered to help the Soviets in offshore oil exploration. However, the offer is believed to have foundered on Soviet reluctance to allow foreigners a key role in offshore operations in these strategically important waters.

The perestroika policies of Mr Mikhail Gorbachev, the Soviet president, have subsequently cleared the way for joint venture agreements between Soviet and western companies and have already allowed concrete partnerships to be formed. Geoteam, a Norwegian geophysical exploration company, has been given exclusive commercial rights to explore and map petroleum reserves in the Soviet Barents Sea. In addition, the agreement gives Geoteam the exclusive commercial rights to act as an agent on behalf of the Soviet Ministry of Geology to sell geophysical and geological data, gleaned from the (Soviet) Barents Sea, to western oil companies.

One seismic survey has already been completed by Geoteam which is currently in the process, with the Soviets, of analysing data obtained by the Soviet survey ship Geolog Dimitry Nalivkin.

This is the first time a western company has worked from a Soviet research vessel to map oil resources in Soviet waters. The Geoteam agreement seems to confirm earlier western scepticism about Soviet capability to process geological data. In the pre-Gorbachev era, the Soviets denied western companies access to this data. The exploration vessel, however, is surprisingly well equipped with western technology. It was built in 1985 in Finland.

Last month Mr Thorvald Stoltenberg, the Norwegian Foreign Minister, issued a warning that oil companies must restrict their Barents Sea activities to undisputed waters.

For 15 years Norway and the Soviet Union have been at odds over a demarcation of the Barents Sea comprising a disputed area covering 155,000 sq km.

Norway favours a median-line principle which follows the Geneva Convention of 1985 and the 1982 United Nations Law of Sea Convention. This puts the boundary farther east than the sector-line principle favoured by the Soviet Union.

Last year Mr Nikolai Ryzhkov, the Soviet Prime Minister, called for Norway and the Soviet Union to "jointly administer" as a fifty-fifty area of economic co-operation the disputed zone. Norway, however, has made clear that it will not accept co-operative arrangements for the disputed area.

This was reiterated recently by Mr Stoltenberg who said that Norway's main goal was to achieve a permanent demarcation.

In 1983 the Soviets identified a natural gas structure (Severo Kildinskaya) bordering the median line in the southern part of the Barents Sea, though no further efforts have been made by them to develop the find.

Murmansk High, another Soviet Barents Sea gas field east of the disputed area, is what has captured the interest of western oil companies.

Here the Soviet Union is evaluating a plan which calls for gas-fired power generation for the Kola Peninsula in tandem with pipeline export of natural gas to Finland and Sweden, in competition with Norwegian gas supply.

Western interest, however, may be expected to shift to the two new gas discoveries because of their size and export possibilities.

Tapping Siberia's more difficult reserves

Quentin Peel explains why Moscow is seeking western finance and expertise

THE SOVIET authorities have launched a new bid to attract the capital and expertise of western oil companies for the opening up of difficult new on-shore oil fields in Siberia, the Arctic Circle, and the Caspian region.

Large packages of geological and geophysical data have been prepared for the oil companies to assess the sort of joint ventures they might undertake in six huge exploration areas.

In particular, the Soviet authorities are looking for western companies with expertise in stratographic exploration and the production of heavy crudes. In two major areas bordering the Caspian Sea, they need technology capable of identifying hydrocarbons through layers of salt – a problem already encountered by oil companies in the North Sea.

Packages of data are also on offer for two big areas of eastern Siberia – Tunguska and Nepski. The former is virtually unexplored while the latter's known oil and gas deposits are in very difficult geographical conditions.

The marketing is being handled by Jebco Seismic, a British company which last April signed an exclusive contract with the Soviet Ministry of Geology to process, package, market and sell the raw statistics.

However, even before the figures have been passed on to the oil companies – the first packages will be ready for delivery in October – several have already visited Moscow for preliminary discussions with the Geology Ministry and the newly-amalgamated Ministry of Oil and Gas Production.

"The western companies are fascinated," said Mr Ian Edwards, general manager of Jebco. "This is the first opportunity western industry has had to gain access to large volumes of geological and geophysical information, which they need to evaluate the potential for joint ventures.

"Up until now this information was all classified as secret, strategic information. The response we have had to date is overwhelming."

The Soviet side is leaving all the details of joint ventures open for negotiation with prospective partners, depending on the areas they choose. In theory a western partner could control up to 99 per cent of a venture, although the Ministry of Geology is keen to participate in both exploration and production.

Two areas in the far north of the Soviet Union, Timan and Pechora, require stratographic exploration for possible hydrocarbons in reef deposits. That is a precise technology in which western oil companies have much more experience than their Soviet counterparts, thanks to their experience in the North Sea and Mexico.

The other main feature of Timan and Pechora is the existence of heavy crude oil in deposits already identified. "They would seek to enter into joint ventures with oil companies that either have experience of production of heavy crude, or can bring technology to the table as part of the input for the joint venture," Mr Edwards said.

The Ministry of Geology is prepared to enter into production-sharing agreements, similar to deals western oil companies have done in other parts of the world.

Two zones in the Pri-Caspian area north-east of the Caspian Sea also have a long history of oil and gas exploration, but now require state-of-the-art drilling techniques to control sub-surface, high pressure and corrosive gases. The geophysical exploration problem is the existence of salt layers which distort seismic signals – a problem western companies have also learned to deal with in the North Sea.

In Siberia, the Nepski area has significant known quantities of oil and gas, but no infrastructure to exploit them. The Tunguska area has yet to be explored because of its inaccessibility.

The Ministry itself wants to be involved in both exploration and development, "but there are opportunities perhaps in the future for different proposals from western industry," Mr Edwards said. "The Ministry may be a tough negotiator, but they are open to any ideas the oil companies propose."

WORLD COMMODITIES PRICES

LONDON MARKETS

COPPER prices fell on the LME yesterday on news that stocks in LME warehouses rose by 13,500 tonnes to a four-month high of 110,700 tonnes. The market has turned bearish, traders said. The next major price move will probably be mainly dictated by the mood of US traders when they come to London next week for the LME annual dinner. Aluminium prices eased in long liquidation in the afternoon, failing to respond to dollar weakness and to the power cut following Hurricane Hugo at the 200,000 short tons a year Mount Holly, South Carolina, smelter owned by Alumax. A protracted loss of power could lead to pots freezing and a prolonged shut-down. Coffee prices eased as the International Coffee Organisation's annual two-week meeting got under way. Traders are pessimistic over attempts to revive coffee export quotas.

SPOT MARKETS

Crude oil (per barrel FOB)		+ or -
Dubai	$15.40-5.45q	+.075
Brent Blend	$17.45-7.50w	-.045
W.T.I. (1 pm est)	$19.40-9.45q	+0.10
Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$216-218	
Gas Oil	$168-169	-4
Heavy Fuel Oil	$91-93	-1
Naphtha	$151-153	-3
Petroleum Argus Estimates		
Other		+ or -
Gold (per troy oz)♣	$367.00	+1.75
Silver (per troy oz)♣	528c	+2
Platinum (per troy oz)	$485.00	+6.85
Palladium (per troy oz)	$142.3	+0.3
Aluminium (free market)	$1715	+5
Copper (US Producer)	142⅝-144c	-½
Lead (US Producer)	40.5c	
Nickel (free market)	505c	
Tin (Kuala Lumpur market)	21.50r	-0.29
Tin (New York)	378.5c	+6.0
Zinc (US Prime Western)	80.25c	
Cattle (live weight)†	118.55p	+1.94*
Sheep (dead weight)†	142.39p	+6.36*
Pigs (live weight)†	105.68p	-3.69*
London daily sugar (raw)	$358.4y	+2.4
London daily sugar (white)	$433y	+5
Tate and Lyle export price	£336.5	-3.0
Barley (English feed)	£108.5x	
Maize (US No. 3 yellow)	£123	
Wheat (US Dark Northern)	£124	
Rubber (spot)♥	57.0p	-0.5
Rubber (Nov)♥	60.50p	-0.75
Rubber (Dec)♥	61.25p	
Rubber (KL RSS No 1 Oct)	236.5m	-0.5
Coconut oil (Philippines)§	$510v	
Palm Oil (Malaysian)§	$327.5w	-2.5
Copra (Philippines)§	$315	
Soyabeans (US)	£173	-5
Cotton "A" index	81.25c	-1.20
Wooltops (64s Super)	600p	

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. y-Oct/Nov. x-Oct/Dec. t-Aug/Sep. v-Sep/Oct. w-Oct. q-Nov. z-Dec. †Meat Commission average fatstock prices. * change from a week ago. ♥London physical market. §CIF Rotterdam. ♣ Bullion market close. m-Malaysian cents/kg.

COCOA – London FOX £/tonne

	Close	Previous	High/Low
Sep	735	740	740 734
Dec	781	790	787 777
Mar	746	751	751 741
May	753	759	757 750
Jul	768	770	770 765
Sep	784	785	788 783
Dec	810	812	811 810

Turnover: 2998 (4847) lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for Sep 22 898.02 (912.23) :10 day average for Sep 25 918.48 (918.88)

COFFEE – London FOX £/tonne

	Close	Previous	High/Low
Sep	753	758	755 744
Nov	765	774	772 753
Jan	777	789	778 770
Mar	793	804	796 790
May	812	820	811 808
Jul	827	838	827 827
Sep	845	855	840

Turnover: 2069 (3562) lots of 5 tonnes
ICO indicator prices (US cents per pound) for Sep 22: Comp. daily 67.56 (69.13). 15 day average 69.53 (69.78)

SUGAR – London FOX ($ per tonne)

Raw	Close	Previous	High/Low
Oct	323.80	320.20	326.80 320.00
Dec	318.00	317.20	316.00 316.00
Mar	316.20	312.40	319.00 312.80
May	310.80	307.40	313.60 308.00
Aug	303.80	301.00	306.00 300.80
Oct	290.00	290.20	291.60 290.00
White	**Close**	**Previous**	**High/Low**
Dec	409.00	404.00	410.30 404.00
Mar	399.50	393.00	401.00 398.00
May	397.00	390.00	396.50
Aug	395.50	387.50	394.50
Oct	383.00	376.00	

Turnover: Raw 9900 (6204)lots of 50 tonnes. White 1722 (1511).
Paris- White (FFr per tonne): Dec 2630, Mar 2595, May 2575, Aug 2583, Oct 2500, Dec 2480.

CRUDE OIL – IPE $/barrel

	Close	Previous	High/Low
Nov	17.47	17.60	17.50 17.18
Dec	17.43	17.53	17.43 17.18
Jan	17.28	17.43	17.28 17.17
Feb	17.00	-	17.00
Mar	16.87	-	16.97 16.95
IPE Index	17.57	17.69	

Turnover: 4814 (4654)

GAS OIL – IPE $/tonne

	Close	Previous	High/Low
Oct	168.75	168.75	167.00 165.25
Nov	165.75	168.75	165.75 163.75
Dec	164.50	166.00	164.50 163.00
Jan	162.75	164.00	162.75 161.50
Feb	159.50	161.00	159.25 159.00
Mar	154.00	156.00	
Apr	151.00	153.00	151.00
May	152.00	155.00	151.00
Jun	152.00	153.00	149.00

Turnover 7719 (9372)lots of 100 tonnes

TEA
There were 22,293 packages on offer, including 1,000 offshore, reports the Tea Brokers' Association. New season's Assam teas attracted strong competition with top quality sorts particularly Pekoe dusts dearer by up to 20p per kilo. Plainer varieties also realised improved levels but mediums showed some irregularity with quality. Africans also came to a strong market and were 5p - 15p dearer. Ceylons proved the strongest feature with prices again showing substantial advances. In the offshore auction Ceylon teas were well supported. Quotations: quality - 200p (195), medium - 150p (145), low medium - 135p (120).

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open interest
Aluminium, 99.7% purity ($ per tonne)						Ring turnover 14,025 tonne
Cash	1700-3	1728-33	1716	1715-6		
3 months	1702-5	1722-5	1725/1690	1715-6	1695-700	32,317 lots
Copper, Grade A (£ per tonne)						Ring turnover 25,375 tonne
Cash	1750-1	1830-2	1750/1745	1746-7		
3 months	1755-6	1830-1	1783/1732	1752-3	1755-6	69,678 lots
Lead (£ per tonne)						Ring turnover 6,975 tonne
Cash	460.5-1	465-6	461/460	461-1.5		
3 months	459.5-60	463-3.5	460/457	459-9.5	456-7	12,671 lots
Nickel ($ per tonne)						Ring turnover 1,110 tonne
Cash	10900-25	10900-50	10950/10925	10950-1100		
3 months	10525-50	10550-90	10600/10400	10575-600	10630-50	5,901 lots
Tin ($ per tonne)						Ring turnover 810 tonne
Cash	8000-20	8090-5		8030-40		
3 months	8080-100	8190-5	8180/8080	8120-30	8160-80	5,391 lots
Zinc, Special High Grade ($ per tonne)						Ring turnover 7,300 tonne
Cash	1665-70	1645-50	1661/1655	1661-5		
3 months	1645-50	1640-5	1655/1620	1635-40	1640-5	14,349 lots
Zinc ($ per tonne)						Ring turnover 3,950 tonne
Cash	1590-610	1585-95		1590-600		
3 months	1575-85	1580-5		1560-80	1575-85	4,939 lots

LME Closing £/$ rate:
SPOT: 1.6065 3 months: 1.5896 6 months: 1.5735 9 months: 1.5675

POTATOES – BFE £/tonne

	Close	Previous	High/Low
Nov	137.5	138.0	138.0 135.0
Feb	165.0	167.0	162.0
Apr	200.5	201.5	202.0 196.0
May	227.5	226.0	223.0 222.0

Turnover 425 (355) lots of 40 tonnes.

SOYABEAN MEAL – BFE £/tonne

	Close	Previous	High/Low
Oct	146.00	149.50	
Dec	142.00	146.00	142.00
Feb	144.00	146.50	

Turnover 9 (0)lots of 20 tonnes.

FREIGHT FUTURES – BFE $10/index point

	Close	Previous	High/Low
Sep	1417	1425	1420 1415
Oct	1465	1472	1470 1463
Jan	1541	1560	1545 1539
Apr	1580	1585	1580 1574
Jul	1389	1390	
BFI	1424	1425	

Turnover 198 (106)

GRAINS – BFE £/tonne

Wheat	Close	Previous	High/Low
Nov	106.30	107.15	107.15 106.80
Jan	110.95	111.15	111.25 110.90
Mar	114.10	114.25	114.40 114.15
May	117.15	117.35	117.55 117.15
Jun	118.60	118.80	
Barley	**Close**	**Previous**	**High/Low**
Nov	103.25	103.45	103.25
Jan	107.50	107.50	107.70 107.40
Mar	110.40	110.50	110.50

Turnover: Wheat 237 (217). Barley 24 (44).
Turnover lots of 100 tonnes.

PIGS – BFE (Cash Settlement) p/kg

	Close	Previous	High/Low
Oct	133.0	135.5	133.0 132.0
Nov	136.0	138.0	135.0 135.0
Feb	125.5	128.0	
Apr	125.5	126.0	
Jun	122.5	123.0	

Turnover 30 (113) lots of 3,250 kg

LONDON BULLION MARKET

Gold (fine oz)	$ price	£ equivalent
Close	366¾-367¼	228-228½
Opening	367½-368	227¾-228¼
Morning fix	368.75	229.18
Afternoon fix	367.35	227.715
Day's high	369-369½	
Day's low	366¼-366¾	
Coins	**$ price**	**£ equivalent**
Mapleleaf	377¾-382¾	235-238
Britannia	377¾-382¾	235-238
US Eagle	377¾-382¾	235-238
Angel	376-381	233½-236¼
Krugerrand	366¾-369¾	228-230
New Sov.	86½-87½	53¾-54½
Old Sov.	86½-87½	53¾-54½
Noble Plat	490.80-498.80	305.05-309.9
Silver fix	**p/fine oz**	**US cts equiv**
Spot	330.10	531.50
3 months	341.35	543.20
6 months	353.05	555.55
12 months	375.40	579.45

TRADED OPTIONS

Aluminium (99.7%)	Calls		Puts	
Strike price $ tonne	Nov	Jan	Nov	Jan
1600	120	115	6	22
1700	49	56	34	61
1800	13	23	97	125
Copper (Grade A)	**Calls**		**Puts**	
2700	166	161	50	117
2800	109	116	90	169
2900	66	80	146	231
Coffee	**Nov**	**Jan**	**Nov**	**Jan**
750	44	77	32	50
800	22	54	60	77
850		36		109
Cocoa	**Dec**	**Mar**	**Dec**	**Mar**
700		78		33
750	60	52	29	67
800	35	32	54	86
Brent Crude	**Nov**	**Dec**	**Nov**	**Dec**
1700	58	79	15	40
1750	28	52	35	63
1800	11	32	69	

US MARKETS

In the metals, gold rallied to a high of 375 basis December as the weekends economic meeting proved bearish for the U.S. dollar, reports Drexel Burnham Lambert. Platinum also advanced following the strong gains in the gold. Silver was higher in early traidng until profit taking pared gains later in the day. Copper prices fell as the higher LME and COMEX stocks weighed on the market. In the softs, sugar prices closed up 21 basis October on news of tender business. Coffee and cocoa were up slightly after lacklustre trading. The grains featured two-sided action for most of the day with prices closing nearly unchanged. The livestocks had lower prices in the belly futures due to profit taking and sell stops. Live hogs and cattle were mixed with local participation seen. Cotton prices rallied from commission house activity. The energy complex was firm following the recent OPEC talks.

New York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low	
Sep	368.8	368.2	368.2	368.2
Oct	370.3	366.7	370.8	368.8
Nov	372.7	369.0	0	0
Dec	374.6	370.7	375.0	372.5
Feb	378.6	374.5	379.0	376.8
Apr	382.7	378.5	382.5	382.0
Jun	386.9	382.7	386.5	385.5
Aug	391.0	386.8	0	0
Oct	395.3	391.1	394.0	394.0

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low	
Oct	488.1	480.0	488.7	484.4
Nov	486.9	480.8	486.5	486.5
Jan	490.9	483.6	492.0	487.5
Apr	493.9	486.6	495.0	491.5
Jul	496.9	489.6	495.5	495.5
Oct	500.4	493.1	600.0	499.0

SILVER 5,000 troy oz; cents/troy oz.

	Close	Previous	High/Low	
Sep	528.3	528.6	531.0	527.0
Oct	529.2	529.7	0	0
Nov	533.6	534.1	0	0
Dec	537.5	538.0	543.0	534.5
Jan	540.5	541.0	0	0
Mar	549.6	549.8	555.0	547.0
May	558.0	558.1	559.0	556.5
Jul	565.7	566.8	572.0	566.5
Sep	575.2	575.3	578.0	574.5
Dec	587.4	587.5	591.0	587.0

INDICES

REUTERS (Base: September 18 1931 = 100)

Sept 22	Sept 21	mnth ago	yr ago
1896.8	1887.5	1919.0	1861.9

DOW JONES (Base: Dec. 31 1974 = 100)

Spot	129.64	128.67	133.22	133.22
Futures	130.24	130.64	134.51	134.51

COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low	
Sep	133.50	136.20	134.90	133.50
Oct	126.80	128.65	127.00	127.00
Nov	124.30	127.30	0	0
Dec	122.80	125.40	124.40	122.20

CRUDE OIL (Light) 42,000 US galls $/barrel

	Latest	Previous	High/Low	
Nov	19.39	19.28	19.48	19.00
Dec	19.21	19.12	19.30	18.86
Jan	19.10	18.99	19.14	18.76
Feb	18.95	18.86	18.97	18.61
Apr	18.72	18.67	18.72	18.46
Jul	18.50	18.50	18.50	18.49

HEATING OIL 42,000 US galls, cents/US galls

	Latest	Previous	High/Low	
Oct	5745	5697	5755	5605
Nov	5780	5733	5805	5650
Dec	5810	5760	5830	5685
Jan	5750	5712	5765	5650
Feb	5620	5592	5620	5520
Mar	5350	5352	5350	5300
Apr	5153	5142	5170	5070
May	4980	4982	5000	4915

COCOA 10 tonnes;$/tonnes

	Close	Previous	High/Low	
Dec	1067	1054	1074	1061
Mar	1087	1067	1073	1063
May	1083	1070	1088	1079
Jul	1103	1083	1096	1098
Dec	1145	1137	1145	1145

COFFEE "C" 37,500lbs; cents/lbs

	Close	Previous	High/Low	
Dec	81.20	80.65	82.29	80.60
Mar	83.64	82.70	84.50	82.50
May	85.90	84.90	86.00	84.20
Jul	88.00	86.86	88.25	86.50
Sep	89.75	90.00	90.65	90.25
Dec	93.00	92.63	92.50	92.50

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Close	Previous	High/Low	
Oct	14.82	14.61	14.88	14.65
Jan	13.70	13.25	14.00	13.30
Mar	14.21	14.07	14.33	14.17
May	13.95	13.84	14.08	13.93
Jul	13.76	13.67	13.82	13.70
Oct	13.07	13.18	13.25	13.05

COTTON 50,000; cents/lbs

	Close	Previous	High/Low	
Oct	72.80	71.68	74.00	71.95
Dec	73.10	72.55	74.65	73.02
Mar	73.90	73.40	75.35	73.90
May	74.75	74.50	76.25	74.75
Jul	75.66	74.60	76.00	75.60
Oct	70.05	69.40	70.40	70.05

ORANGE JUICE 15,000 lbs; cents/lbs

	Close	Previous	High/Low	
Nov	138.00	136.30	138.00	136.00
Jan	135.00	133.20	135.00	133.50
Mar	134.60	132.70	134.75	132.75
May	133.75	132.20	133.00	133.00
Jul	133.30	132.05	0	0
Sep	132.60	131.55	0	0
Nov	132.60	131.55	0	0

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low	
Nov	572/4	574/2	576/0	568/4
Jan	583/6	585/6	586/6	580/0
Mar	597/2	596/4	598/4	592/4
May	606/2	605/2	607/2	602/0
Jul	611/2	610/0	612/4	606/0
Aug	606/0	605/4	610/0	605/0
Sep	591/0	585/0	591/0	588/0
Nov	590/4	579/4	591/0	578/4

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low	
Oct	19.18	19.13	19.25	18.99
Dec	19.61	19.62	19.74	19.43
Jan	19.87	19.88	19.98	19.70
Mar	20.28	20.25	20.39	20.15
May	20.56	20.60	20.70	20.65
Jul	20.97	21.02	21.06	20.90
Aug	20.97	21.00	20.95	21.00
Sep	20.95	21.00	20.90	21.00

SOYABEAN MEAL 100 tons; $/ton

	Close	Previous	High/Low	
Oct	187.1	187.7	187.5	185.8
Dec	182.4	183.1	183.0	181.1
Jan	181.1	181.6	182.0	180.1
Mar	180.1	180.3	180.8	179.1
May	179.2	179.5	179.2	178.0
Jul	177.5	177.7	178.0	176.5
Aug	176.5	176.7	176.5	175.5
Sep	173.6	173.2	174.0	173.5

MAIZE 5,000 bu min; cents/56lb bushel

	Close	Previous	High/Low	
Dec	230/4	230/0	230/6	228/4
Mar	239/0	237/0	239/0	235/0
May	243/0	242/8	243/2	240/6
Jul	245/6	245/2	245/6	243/6
Sep	239/4	239/6	240/0	239/0
Dec	237/2	236/0	237/2	236/0
Mar	244/6	243/0	0	244/6

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low	
Dec	390/2	389/2	391/0	388/0
Mar	389/6	387/6	390/2	387/0
May	372/2	371/2	372/4	370/2
Jul	346/0	344/2	346/4	349/0
Sep	350/6	349/0	351/0	349/4
Dec	359/0	357/4	0	0

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	Previous	High/Low	
Oct	71.07	71.42	71.47	70.95
Dec	73.32	73.40	73.87	73.30
Feb	73.37	73.15	73.70	73.15
Apr	73.87	73.70	74.10	73.72
Jun	71.47	71.40	71.65	71.30
Aug	70.02	69.86	70.10	70.02

LIVE HOGS 30,000 lb; cents/lbs

	Close	Previous	High/Low	
Oct	43.15	42.80	43.35	42.95
Dec	44.22	44.15	44.37	43.95
Feb	45.10	44.90	45.30	44.82
Apr	43.85	42.50	43.00	42.45
Jun	47.30	47.25	47.35	47.00
Jul	47.60	47.50	47.60	47.30
Aug	46.00	45.95	46.15	46.00
Oct	43.00	42.97	43.15	43.00

PORK BELLIES 40,000 lbs; cents/lb

	Close	Previous	High/Low	
Feb	49.20	49.20	49.60	47.70
Mar	49.22	49.22	49.65	47.90
May	49.22	50.30	50.60	48.65
Jul	49.30	50.30	50.70	49.10
Aug	48.07	48.80	49.30	47.60

كانون الأول

LONDON STOCK EXCHANGE

Dollar stocks lead blue chips lower

THE FALL in the US dollar as central banks acted on the G-7 ministers' announcement that they would co-operate to check the rise in the US currency brought a general setback in dollar-earning shares in London yesterday. The relative firmness of sterling against the dollar was largely overlooked in an equity market looking increasingly nervous ahead of today's announcement of the UK trade figures for August.

In terms of the loss in market indices, the damage was done almost before equity trading commenced yesterday morning. The Footsie Index, 11.1 off at the first calculation, moved nervously around its opening level for most of the morning. An attempt to rally was soon unshipped when Wall Street came in with an early fall of 12 points, and London slipped away again to close very near the day's lows which had been plumbed first thing in the morning.

Account Dealing Dates		
*First Dealings:		
Sep 4	Sep 18	Oct 2
Option Declarations:		
Sep 14	Sep 28	Oct 12
Last Dealings:		
Sep 15	Sep 29	Oct 13
Account Day:		
Sep 25	Oct 9	Oct 23

*New time dealings may take place from 9.00 am two business days earlier

The FT-SE Index showed a loss on the day of 10.6 points at 2,359.6. Some market strategists remained nervous, pointing out that a downwards correction, perhaps of as much as 100 Footsie points, was still a possibility.

The true plight of the equity market was disclosed in a painfully low turnover figure of a mere 280.5m shares, the lowest daily total this year and far below the level needed for a viable market.

After a very brief recovery at the end of last month, equity turnover has returned to levels which cause general concern over the outlook for many trading firms. Yesterday's low figure prompted a renewal of market tales that more than one leading securities firm was on the verge of withdrawing from the marketplace.

Today's news on the UK trade figures could prove an important test of confidence for a market which has again grown nervous over the outlook for domestic interest rates. Continued action by central banks to curb the US dollar can be expected to help sterling, but the stock market paid more heed yesterday morning to strong hints that the UK building societies are under increasing pressure to again raise their home loan rates.

In particular, building societies are believed to be anxious that the August deficit on UK current account might exceed City forecasts of around £1.4bn; any deficit number above £1.6bn, compared with the July deficit of £2.1bn, would be seen as a final blow to hopes of a cut in bank base rates this autumn.

Substantial falls in dollar-earning or US-influenced stocks, including Glaxo, ICI and Reuters, left the London market looking thoroughly nervous ahead of the trade numbers.However, analysts commented that the G-7 policy towards the US dollar is likely to prove the more significant in the longer term.

FINANCIAL TIMES STOCK INDICES

	Sep 25	Sep 22	Sep 21	Sep 20	Sep 19	Year Ago	1989 High	1989 Low	Since Compilation High	Since Compilation Low
Government Secs	85.82	85.80	85.78	85.88	85.89	87.30	89.29 (8/2)	83.75 (14/6)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	96.09	96.10	96.09	96.16	96.20	96.10	99.59 (15/3)	95.21 (13/6)	105 4 (28/11/47)	50.53 (3/1/75)
Ordinary Share	1937.3	1949.5	1962.9	1954.6	1948.3	1446.5	2008.6 (5/9)	1447.8 (3/1)	2008 6 (5/9/89)	49.4 (26/6/40)
Gold Mines	209.2	210.7	206.9	203.5	203.6	164.0	210.7 (22/9)	154.7 (17/2)	734.7 (15/2/83)	43.5 (26/10/71)
FT-SE 100 Share	2359 6	2370.2	2380.9	2369.8	2361.5	1792.7	2426.0 (5/9)	1782.8 (3/1)	2443.4 (16/7/87)	986.9 (23/7/84)
Ord. Div. Yield	4.20	4.17	4.15	4.17	4.18	4.78				
Earning Yld %(full)	10.08	9.99	9.95	9.99	10.01	12.05				
P/E Ratio(Net)(☆)	11.97	12.06	12.11	12.07	12.04	10.05				
SEAQ Bargains(5pm)	21,438	22,871	22,979	24,509	23,053	19,578				
Equity Turnover(£m)†	-	1510.17	873.20	1075.88	907.07	735.66				
Equity Bargains†	-	26,313	22,959	24,965	23,902	20,913				
Shares Traded (ml)†	-	551.8	319.0	441.6	347.3	271.7				

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold mines 12/9/55 Basis 1000 FT-SE 100 31/12/83. ☆ Nil 11.86

Ordinary Share Index, Hourly changes — Day's High 1943.5 — Day's Low 1934.8

Open	10 a.m.	11 a.m.	12 p.m.	1 p.m.	2 p.m.	3 p.m.	4 p.m.
1940 0	1943.5	1940.4	1940.1	1942.2	1941.0	1937.1	1934.7

FT-SE, Hourly changes — Day's High 2365.6 — Day's Low 2358.4

Open	10 a.m.	11 a.m.	12 p.m.	1 p.m.	2 p.m.	3 p.m.	4 p.m.
2359.1	2364.7	2362.3	2363.3	2365.5	2364.9	2360.0	2358.5

S.E. ACTIVITY

Indices	Sep 22	Sep 21
Gilt Edged Bargains	67.5	77.2
Equity Bargains	N/A	N/A
Equity Value	N/A	N/A
5 – Day average		
Gilt Edged Bargains	72.4	75.4
Equity Bargains	N/A	N/A
Equity Value	N/A	N/A

SE Activity 1974. †Excluding intra-market business & O'seas turnover. London report and latest Share Index Tel. 0898 123001.

TRADING VOLUME IN MAJOR STOCKS

The following is based on trading volume for most Alpha securities dealt through the SEAQ system yesterday until 5 pm.

Stock	Volume 000's	Closing Price	Day's change	Stock	Volume 000's	Closing Price	Day's change	Stock	Volume 000's	Closing Price	Day's change	Stock	Volume 000's	Closing Price	Day's change
ASDA Group	4,600	192	-3	Courtaulds	238	385	-2	LASMO	528	526	-4	Saatchi & Saatchi	381	304	-7
Abbey National	3,000	154		Dalgety	294	412	-1	Lonrho	547	278	-2	Sainsbury	244	289	
Allied-Lyons	616	526	-5	Dixons	258	145		Lucas	759	684	+4	Scot & Newcastle	157	373	-1
Amstrad	117	73		Eng China Clays	1,100	476	+1	MB Group	841	219	-2	Sears	3,300	120	
Argyll Group	656	242		Enterprise Oil	115	594	-2	MEPC	179	568	-1	Sedgwick	1,100	256	-2
Ass. Brit. Foods	13	406		Fisons	194	341	-2	Marks & Spencer	1,100	204	-2	Shell Transport	2,900	435½	-4½
BAA	1,100	343	-1	General Accident	677	1085	+1	Maxwell Comm	1,200	287		Siebe	135	540	-4
BAT Inds.	687	816	-2	General Elect.	2,200	248	+2	Mecca Leisure	725	129½	+½	Slough Ests	495	356	-4
BET	647	305	-3	Glaxo	1,000	1519	-20	Midland Bank	714	374	-4	Smith & Nephew	1,500	145¼	-1
BICC	558	535	-5	Globe Inv	337	192	-1½	Nat. West. Bank	327	340	-4	SmithKline Beecham	2,800	577	-5
BOC	409	522	-3	Glynwed Int.	479	308	-1	Next	2,800	129	+2	Smiths Industries	6	312½	-½
BPB Inds.	929	262	-5	Granada	262	348	-3	Northern Foods	192	341	-3	Standard Chartered	57	548	+1
BTR	511	454		Grand Met.	732	598	-7	Pearl	29	588	-5	Storehouse	558	145	-2
Barclays	749	541	-1	GUS A	140	1160	-6	Pearson	156	753	+1	Sun Alliance	558	316	
Bass	563	1054	-6	GRE	710	224	-3	P & O	583	694	-3	T&N	218	222	-1
Blue Circle	415	251	-1	GKN	435	449	-4	Pilkington	1,100	245	-1	TI Group	238	474	-4
Boots	1,900	286	-4	Guinness	4,700	585	-6	Polly Peck Intl.	396	387	-6	TSB	2,100	119	-½
Brit. & Comm.	1,300	159	+4	Hammerson 'A'	151	816	+15	Prudential	1,700	201		Tarmac	631	298	-2
Brit. Aerospace	1,100	637	+5	Hanson	1,800	229	-4	RHM	359	463	-3	Tate & Lyle	63	273	-2
British Airways	1,700	216	-2	Harrisons & Cros.	1,600	169		RMC	65	737	-3	Taylor Woodrow	350	305	
British Gas	6,200	211	+½	Hawker Siddeley	543	716	-4	RTZ	1,600	567	-8	Tesco	316	211½	+½
British Land	10	367	-1	Hillsdown Hldgs	1,000	314	+1	Racal	2,500	230	+4	THORN EMI	193	831	-5
BP	3,900	308½	-4½	IMI	410	251	+2	Rank Org.	193	958	+4	Trafalgar House	857	388	-2
British Steel	6,300	138¼	-2¼	Imp Chem.	452	1278	-13	Reckitt & Colman	87	1216	-8	Trusthouse Forte	323	348	-1
British Telecom	9,400	284	+6	Inchcape	765	289	-3	Redland	308	565	-5	Ultramar	281	337	-1½
Burmah Oil	167	626	-3	Jaguar	4,550	576	-5	Reed International	479	432	+1	Unilever	1,660	647	-5
Burton	881	243	-2	Kingfisher	63	345		Reuters	305	940	-8	United Biscuits	663	392	+2
Cable & Wireless	2,000	568	-4	Ladbroke	454	337	-4	Rolls Royce	599	187	-1	Utd. Newspapers	925	515	-6
Cadbury Schweppes	571	390	-2	Land Securities	190	570		Rothmans	6	658	-3	Wellcome	560	663	-2
Carlton Comms.	262	934	+6	Laporte	832	516	+1	Royal Bk of Scotland	182	184	+1	Whitbread 'A'	139	325	-4
Commercial Union	795	443	-6	Legal & General	286	352	-1	Royal Insurance	614	455	-4	Williams Hldgs.	256	266	+1
Cookson	695	331	-2	Lloyds Bank	942	489	-2	STC	803	344	-1	Wimpey	269	277	-2

Turbulent session for BA

British Airways (BA) recovered from an early fall helped by late reports that its attempt to take a 15 per cent stake in United Airlines of the US could yet hit further difficulties.

Mr Samuel Skinner, the US Transportation Secretary, is seeking to cut KLM Royal Dutch Airlines' investment in NorthWest, another US carrier. Dealers thoughts quickly turned to the possibility that similar pressure might be placed on BA. The price recovery indicated the market took the view that the risks in the deal outweighed the potential gains.

Mr Ian White at County NatWest WoodMac argued against this view: "Any leveraged buyout is risky, in this case it is well calculated risk."

The shares had touched a low of 23p ahead on negative weekend press comment and after Friday's gain inspired by the announcement of a pension fund holiday. The shares ended 2 off on the day at 216p.

BA is today expected to launch an unusual hybrid convertible preference share to raise cash for the UAL deal.

Telecom active

Another bout of heavy and sustained buying interest in British Telecom stock, much of it said to have come from the US, drove the BT share price up to a session's high of 285p, before a closing level of 284p, up 6 on the day; turnover in BT came out at 9.4m, well up on recent levels in the stock.

As well as the persistent US buying of the shares, there were many stories in the market concerning the strong performance of BT. There was talk of an announcement from AT & T, the US telecommunications group, first thing today followed by a Press conference at 9.30, and rumours of possible joint venture deals concerning AT & T with British Telecom, GEC, and Italy's Telefonica.

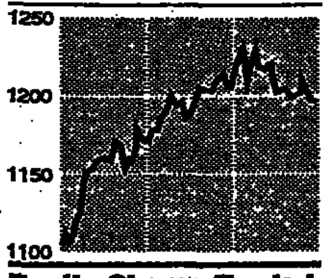
Dealers and analysts said there was no hard and fast development on BT other than that, along with GEC, the shares represented one of the best defensive plays in the market. "All the defensive stocks are being given a run especially with the market looking very nervous ahead of the trade figures," said one dealer. He also said that marketmakers were short of BT. Another trader took the view that the AT & T announcement could involve CT2, the cordless telephone system, or AT & T taking a stake in Istel, the ex-Rover information technology subsidiary, and that the rise in BT and the AT & T meeting were no more than a coincidence.

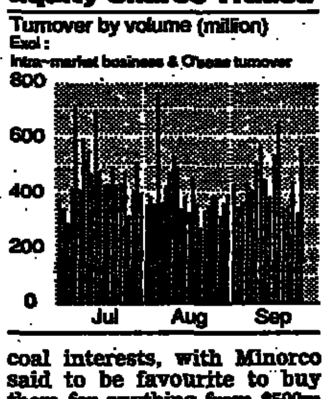
The oil and gas sector shared in the overall market misery, with turnover down to minimal levels, but there were a a handful of interesting developments in the sector, according to traders.

British Gas, good performers during recent days after a couple of bullish notes on the stock, issued by brokers Hoare Govett and Citicorp Scrimgeour Vickers hardened afresh to 211p on turnover of 6.2m; in their "Energy monthly" for September the Hoare energy team reaffirms its cautious stance of the oils, but highlights two exceptions to this view — British Gas and the specialist oils. On the specialist oils, Burmah and Calor, Hoare says they have "niche, high margin, market positions, ensuring good growth prospects and potential attractions to predators." On Gas, Hoare re-emphasises its view that "there is a store of fundamental value in Gas shares, which offer better growth prospects and should be on a significantly lower yield than water, events in the short term, including the interim dividend declaration (due on November 16) investment seminars as well as the water privatisation will help highlight that fundamental value."

There was also a rumour circulating in the market that British Gas was about to initiate a programme of buying in its own shares.

The "big two" oil stocks, on the other hand, ran in to persistent selling pressure with BP down 4½ at 308½p on 3.9m — well below usual levels of activity, and Shell, 435½p, down the same amount on 2.9m. A buzz went round the oil market late in the day when it became known that BP intends holding a breakfast meeting on Thursday morning with oil company specialists. Talk in the market suggested the possibility that BP may be *about to reveal the sale of its* coal interests, with Minorco said to be favourite to buy them for anything from $500m to $700m.





Other oils suffered from the lack of interest. Clyde were marginally easier at 155½p, as were Enterprise, 594p and LASMO, 5626p, despite bullish notes on all three companies issued by Mr Chris Buckley, at Goldman Sachs, the US investment house. Commencing Goldman's coverage of the "E & P" stocks Mr Buckley says the three companies "the largest independent producers in the UK, have highly attractive fundamental characteristics."

The clearing banks did little more than drift easier — Midland and NatWest slipped 4 apiece to 374p and 340p while Abbey National held at 154p in front of today's interim figures.

Dealers in the composite insurance issues were relieved at the downgrading of Hurricane Hugo, and composite shares were only marginally easier after a day of thin trading in the sector. Commercial Union lost 6 to 443p, still depressed by recent sell recommendations. Royal Insurance dipped 4 to 455p.

The weak dollar caused a general decline in the insurance broking area.

Speculation about a possible bid for Lucas from a German car manufacturer, sent the company's shares rising.

Lucas shares closed at at 684p, a gain on the day of 4, helped by bullish views from BZW and Warburg. That positive view was not shared by all analysts. James Capel said: "We don't think the growth will come through as quickly as others think."

Last week's glittering performance of Jaguar faded as the shares followed no particular trend. They rose and fell before closing at 576p, down 5 on the day on a turnover of 4.6m shares. The traded options market saw contracts exchanged for the equivalent of more than 1m shares. The possibility that Jaguar's was discussing a friendly takeover *of the company, in a deal that* would not require shareholder approval, may also have contributed to the share price fall. James Capel said: "The market would prefer a straight bid battle that would push the share price up, rather than an agreed deal."

The international stocks showed a lengthy list of falls as the equity market reacted to the fall in the dollar which followed the statement that the G-7 ministers intend to curb the growth of the US currency. However, turnover in the blue chips was very thin, and the big investment funds were clearly standing in the sidelines waiting to see how the fight to hold the dollar down progresses.

ICI fell 13 to 1278p but traded a mere 452,000 shares, while Reuters, 8 off at 940p, saw only 305,000 shares turned over. The picture was much the same throughout the list, which featured a fall of 20 to 1519p in Glaxo as last week's trading figures faded into memory.

Also in the pharmaceutical sector, Wellcome dipped 2 to 663p, a fairly steady performance in the light of last week's suggestions that a French rival for Retrovir, Wellcome's anti-Aids drug, may be on the way to acceptance in the US.

BAT Industries shed 2 to 816p as takeover passions continued to cool — Hanson yesterday denied that it is considering counterbidding against the £3.5bn offer from the Hoylake consortium.

Caradon, the building products group held the limelight in an otherwise quiet building sector with speculators pushing the stock higher in expectation that the long-awaited merger news is imminent. Caradon has been involved in talks since the end of last month. Stories in the market continued to suggest that MB Group or Marley were favourites to announce a tie-up with Caradon with Spring Ram said to be one of the outsiders.

Stanley Miller dropped 24 to 159p after the interim figures but Tilbury Contracting jumped from an initially depressed 595p to close a net 10 higher at 618p after Lilley revealed it had increased its stake in Tilbury to 29.99 per cent; last week Lilley's bid *attempt on Tilbury narrowly* failed with acceptances reaching48.4 per cent.

In chemicals, the news that Brent Chemicals had produced disappointing interim results, with sales increasing by just 8 per cent, sent shares in the company tumbling, to end the day at 140p, down 4.

Shares in Carbo, the Manchester based manufacturer of abrasives, also fell by 5, ending the day at 225p. Two large trades in Guinness went through the Seaq ticker early in the session, encouraging dealers to assume that a securities house had taken a long position. They marked the shares down 6 to 585p as total turnover expanded to 4.7m shares.

News that Bond Corporation would not meet a September 30 deadline for procuring a profit/loss statement hurt Allied Lyons, dealers said. Mr Alan Bond, the Australian entrepreneur, has a 5 per cent stake in Allied, which closed down 5 at 526p in thin trade.

Press speculation that a director was resigning hurt Grand Metropolitan, 7 off at 598p.

Goldberg slipped 6 to 148p on fears that Black's Leisure's offer for the company may not be enough to win control. "If Black's don't get them, what will they do?" asked one dealer rhetorically. Blacks ended ¼ down at 8¾p.

Tesco put up a good show in an otherwise lacklustre foods sector. County NatWest WoodMac reiterating its buy stance ahead of tomorrow's interim figures. County is forecasting a figure of £127¼m, and the shares firmed slightly to 211½p.

The weakness of the dollar upset Cable & Wireless (C & W), which ran back 4 to 568p on turnover of 2m shares; but dealers were taking the view that the weakness in the stock would be reversed on news that the ADS listing is imminent, and could possibly take place as soon as tomorrow. C & W is placing 8.5m ADS's, the equivalent of 24m C & W shares. Among other top electronics issues Racal Electronic moved up 4 to 230p on 2.5m shares, still boosted by "switching" operations.

News that Singer and Friedlander, the merchant bank, has built an 8.6 per cent stake in Apricot Computer and is in the process of building a "consolidatable stake," drove the Apricot share price up 6 to 76p.

MEMEC were among the poorest performers yesterday, the shares retreating 28 to 189p after revealing interim profits of £3.39m against last time's £4.1m, against expectations which were around the £4.5m-mark.

DRG ran 7 better to 595p as marketmakers continued toanticipate an offer for the company from Mr Roland Franklin's Bermuda-based Pembridge Investments. Pembridge said on September *11 that it was* considering making a cash offer below DRG's then market price of 604p.

The return, after several week's absence, of a buyer of Bunzl stock, pushed the shares 5 better to 142p. Dealers are expecting an announcement tomorrow of a company reorganisation, possibly including disposals of non-core businesses. Such a move was foreshadowed in a statement with Bunzl's results earlier in the month, although a date was not set at the time. Theories about the value of the disposals have homed in on the £150m to £200m range.

■ Other market statistics, including FT-Actuaries Share Index and London Traded Options, Page 31

NEW HIGHS AND LOWS FOR 1989

NEW HIGHS (49).
BRITISH FUNDS (1) Exch. 10¼pc 89. BANKS (1) Deutsche Bk, BUILDINGS (3) Caradon, Lafarge Coppee, Quiligotti, CHEMICALS (1) Englehard, STORES (2) Heritage, Sherwood, ELECTRICALS (1) MTL Inst., ENGINEERING (3) Atlas Conv. Eq., Haden MacLellan, Vosper Thornycroft. INDUSTRIALS (6) Baynes (Charles), CMB Pack., Do. new, Carbo, Parkfield, RPS, INSURANCE (1) Utd Friendly B, PAPERS (1) Norton Opax, PROPERTY (1) Frogmore Est., TEXTILES (1) Early's of Witney, TRANSPORT (1) Runciman (W), TRUSTS (17) Abtrust New Dawn Warrants, Baillie Gifford Sh. Nip., Baltica, Drayton Far East, EFM Dragon Tst., Fledgeling Japan, Do. Warrants, GT Japan, Law Debenture, Martin Currie Pac., Monks Invest, Murray Smllr Mkts., Do. B, Precious Metals Tst., St. Andrew Tst., Stratton Inv., TR Pacific Inv Tst, OILS (1) Cons Brinco, OVERSEAS TRADERS (3) Chillington, REA, PLANTATIONS (2) Lawrie, Williamson, MINES (4) Driefontein, Hartebeest, Homestake Mining, Kloof Gold.
NEW LOWS (46).
AMERICANS (1) Morris (Philip), CANADIANS (1) Galactic Res., BANKS (1) Anglo 9½pc 90, BUILDINGS (3) Miller (Stan), Venture Plant, Wiggins, CHEMICALS (1) Gaynor, STORES (3) Ashley (Laura), Reject Shop, Usher (Frank), ELECTRICALS (2) Elec. Data Procg., Memec, HOTELS (1) Harmony Leisure, INDUSTRIALS (11) Assoc. Energy, Business Tech., Community Hosp., Dauphin, Delaney, Hanson Warrants, Ibex, NMC, Office & Elect., Reliant, Sheldon Jones, LEISURE (1) BCE, MOTORS (4) BTS, Cook (D.C.), Davenport Vernon, ERF, PAPERS (4) Enso-Gutzeit, Filofax, Parkway, VPI, PROPERTY (4) New Cavendish, Regentcrest, Sheafbank, UK Land, TEXTILES (1) Beckman A, TOBACCOS (1) BAT Inds. 12¼pc Ln. TRUSTS (2) Fleming High Inc. Inv., GPG, OILS (1) Enter. Oil 10¼pc 2013, MINES (3) Jason Mining, McFinley Rd Lake, Metana Minerals, THIRD MARKET (1) UPL.

APPOINTMENTS

Directors at Nikko Bank (UK)

■ NIKKO BANK (UK) is making the following appointments. Mr Terry White (general manager,treasury), Mr Akira Hirano (general manager,credit and commercial banking), Mr Hiroshi Hayashi (general manager and company secretary), will be made associate directors on October 1.

Mr Seiichi Nagao (general manager, international finance division, Nikko Securities Co, Tokyo) will also be joining the bank shortly as a director.

■ Mr Patrice Coquard and Mr Richard Landeryou have been *appointed to the board of* UFB ASSET FINANCE, the UK subsidiary of Compagnie Bancaire Group.

■ Mr Andy MacGadie and Mr Bill Purkis have been appointed to the board of SGB. Mr Macgadie will have specific responsibility within the hire and sales division for access and building products. Mr Purkis will have specific responsibility for the powered access division.

■ *Mr Reginald Eccles, deputy* managing director, will *succeed Mr Pat Gunning as* managing director at ORD MINNETT, London, the UK arm of the Ord Minnett Group of Australia, with effect from October 1. Mr Gunning is retiring on September 30. Mr Eccles will also be responsible *for the development of the* company's global mining research service.

The CARROLL GROUP OF COMPANIES has appointed Mr Jeff Zorn *(above)* to the board of its overseas corporate finance division. Mr Zorn, an ex US marine and Vietnam veteran, was based at the White House during the Carter administration.

■ ROCKWOOD HOLDINGS, the freight and distribution group, has made three appointments at its *west-London based head office.* Mr Roger Miller, previously financial director of Rockwood International Freight, has been appointed company secretary and director of administration of Rockwood Holdings. He will be responsible for administration thoughout the group.

Mr John Armstrong has been made assistant company secretary of Rockwood Holdings and will assist Mr Miller, initially focussing on the group's property interests. He remains company secretary of Rockwood International Freight.

Mr Chris Thomas, formerly managing director of Gordon & Gotch Holdings, has been appointed director of corporate development of Rockwood Holdings. His responsibilities *include all matters* relating to acquisitions and disposals.

■ Mr John Kelly, group telecommunications director for Grand Metropolitan, will join TELECOMMUNICATIONS MANAGEMENT in October as managing director.

■ Mr Allan Frazer has been appointed European director of the NEW ZEALAND MEAT PRODUCERS' BOARD. He will be based in London. Mr Neil Taylor has been recruited as the board's first director of trade policy – Europe and has been posted to Brussels.

Mr Frazer was deputy chief executive in Wellington and Mr Taylor was director of the New Zealand Meat and Wool Board's economic service.

Mr Fraser replaces Mr Don Hopwood who has been appointed Middle East director based in Bahrain.

CITYGROVE has appointed Mr Ernest M. Sheavills *(above)* to the newly created position of group managing director. He will join the company on December 1 from Ladbroke Group where he is managing director of a property division.

■ Mr Peter Baines has been named as managing director of REGENCY LIFE GROUP, the UK arm of Transamerica Life Companies, the US based life insurance company. He was general manager of Royal Life Fund Management, the unit trust subsidiary of Royal Insurance.

■ Mr Graham French has been appointed European sales and marketing director of DEMAX SOFTWARE. He was sales and marketing director of Rolfe and Nolan Computer Systems..

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Abtrust Management Ltd (1000)H
10 Queens Terrace, Aberdeen AB9 1QJ 0800 833580

Acorn Unit Trust Managers Ltd (1100)F
1 White Hart Yd, London Bridge SE1 1NX 01-407 5966

Aegis Unit Tst Mngmt Ltd (1400)F
94 Whiteladies Rd Bristol, BS8 1QX 0272 237593

AEtna Unit Trusts Ltd (1600)F
AEtna House, 2-12 Pentonville Road, London, N1 9XG
Dealing 0277 261010

Allchurches Inv Mgmt Servs Ltd (1200)H
19/21 Billiter Street, London EC3M 2RY 01-528 7364

Allied Dunbar Unit Tsts PLC (1600)F
Allied Dunbar Centre, Swindon, SN1 1EL
0793 514514 Dealing 0793 610366

Arbuthnot Unit Tst Mgmt Ltd (1000)F
131 Finsbury Pavement, EC2A 1AY 01-628 9876

Arkwright Management (1400)F
1 King St, Manchester M60 3AH 061-832 0242

Asset Unit Trust Mngrs Ltd (0900)F
20 Regent Street, London SW1Y 4PZ 01-839 5688

B & C E Unit Trust Mngmt Ltd (1000)H
Manor Royal, Crawley RH10 2QP 0293 26911

Baillie Gifford & Co Ltd (1400)H
10 Glenfinlas St, Edinburgh 031-226 6066

Bank of Ireland Fund Mgrs Ltd (1200)F
36 Queen St, London, EC4R 1BN 01-236 4210

Barclays Unicorn Ltd (1000)H
Unicorn Hse, 252 Romford Rd E7 01-534 5544

Baring Fund Managers Ltd (1200)H
PO Box 156, Beckenham, Kent BR3 4XQ 01-658 9002
For Barrington Trusts see Kleinwort Benson Ltd

Bell Court Fund Mngt PLC (1500)F
11 Blomfield St, London EC2M 2LB 01-374 2623/4

Bishopsgate Progressive Mgmt Co (1200)F
15 St James' Place, London SW1A 1NW 01-493 8111

Brewin Dolphin Unit Tst Mgrs Ltd (0905)F
5 Giltspur St, London EC1A 9DE 01-248 4400

Brown Shipley & Co Ltd (1000)F
9-17 Perrymount Rd Haywards Hth 0444 412262/3/4/5

Brycourt Unit Tst Mgmt Ltd (1400)F
Hesketh Hse, Portman Sq, W1H 0JR 01-935 6382

Buckmaster Mangmt Co Ltd (1200)H
The Stock Exchange, London EC2P 2JT 01-588 2868

Buckmaster Mangmt Co Ltd—Contd.

Burrage Unit Tst Mangmt Ltd (0905)F
117 Fenchurch St, London EC3M 5AL 01-480 7216

CCF Foster Braithwaite UT Mngt (1100)F
1 White Hart Yard, London SE1 1NX 01-407 5966

CCL Unit Trusts Ltd (1400)F
74 Shepherds Bush Green, W12 8SD 01-740 7070

CIBC Unit Tst Managers plc (1200)H
Cottons Ctr, Cottons Lane Ldn SE1 2QL 01 234 6000

CS Fund Managers Limited (1000)H
125 High Holborn, London WC1V 6PY 01-242 1148

Canada Life Unit Tst Mgrs Ltd (1200)F
2-6 High St, Potters Bar, Herts 0707 51122

Cannon Fund Managers Ltd (0700)H
1 Olympic Way, Wembley, HA9 0NB
01-902 8876. Dealing: 0800 282621

Capability Trust Mngrs Ltd (1200)F
Admin. 5 Rayleigh Road Hutton, Brentwood, Essex
Enquiries 0277 227300 Dealing 0277 261010

James Capel Unit Tst Mngt Ltd (1535)F
P O Box 552, 7 Devonshire Sq, London EC2M 4HU
01-626 0566 Dealing: 01-929 6363

Capital House Unit Tst Mgrs (0905)H
Capital House, Festival Square, Edinburgh.
031-228 4477 Dealing 0800 833561

Cazenove Unit Trust Mngmt Ltd (2200)F
16 Tokenhouse Yard, London EC2R 7AN 01-606 0708

Chase Manhattan Fund Mngrs Ltd (1600)F
Lecornfield Hse, Curzon St, London W1 01-726 7708

CIGNA Unit Tst Managers Ltd (1000)H
5 Tramp St, London EC2V 8AR 01-796 3571

Citicorp Unit Trust Managers Ltd (1000)F
Admin: 5 Rayleigh Rd, Hutton, Brentwood, Essex
Enquiries: 0277 227300 Dealing: 0277 261010
Regis House, 43-46 King William Street
London EC2R 9AP 01-234 5600

City Financial Servs & Invs Ltd (1100)F
1 White Hart Yard, London Bridge, SE1 01-407 5966

City of London Unit Tst Mgrs Ltd (1100)F
Saddlers Hs, Gutter La, London EC2V 6BR 0392 412144

Clerical Medical Unit Tst Mgrs Ltd (1200)H
Narrow Plain, Bristol BS2 0JH (0800) 373393

Colonial Mutual Unit Tst Mgrs Ltd (1200)F
1 White Hart Yard, London SE1 1NX 01-407 5966

Commercial Union Tst Mgrs (1600)H
St. Helen's, 1 Undershaft, EC3P 3DQ Dealing 01-686 9818

Confederation Funds Mngt Ltd (1200)F
Lytton Way, Stevenage, Herts SG1 2NN 0438 744840

Consistent Unit Tst Mngt Co Ltd (1200)F
1 White Hart Yard, London Bridge SE1 1NX 01 407 5966

Co-op Pension Fds UT Mgrs Ltd (1000)H
78-80 Cornhill, London EC3V 3NJ 01-283 9494

Cornhill Unit Trust Mngrs Ltd (1000)F
PO Box 136, Beckenham, Kent BR3 4KR 01-658 9611

Crown Unit Tst Services Ltd (1200)H
Crown House, Woking GU21 1XW 04862 5033

Dimensional Tst Mangmt Ltd (0905)F
13 Charles II Street, London SW1Y 4QU 01-839 8711

Discretionary Unit Fund Mngrs (1000)H
C/O Greig Middleton, 66 Wilson St, EC2 01-377 8819

Drummond Fund Mangt Ltd (1400)F
1 White Hart Yd, London Bridge SE1 1NX 01-407 5966

Dunmeil Trust Mngmt Ltd (1200)H
54 St James's St, London SW1A 1JT 01-499 6383

Dunmeil Unit Tst Mgmt Ltd (1200)H
54 St James St London SW1A 1JT 01-499 6383

Dunedin Unit Tst Mngrs Ltd (1400)H
25, Ravelston Terrace, Edinburgh 031-315 2500

EFM Unit Tst Mngrs Ltd (1400)H
4 Melville Crescent, Edinburgh 0345-090 526

Eagle Star Unit Mngrs Ltd (1000)H
Bath Road, Cheltenham GL53 7LQ 0242 221311

Elcon Ltd (1600)F
Central Ct, Knoll Rise, Orpington, BR6 0JA 0689 70538

Equitable Units Admin Ltd (1600)F
Walton St, Aylesbury, Bucks. HP21 7QN. 0296 431480

Equity & Law Unit Tst Mngrs (1200)H
Equity & Law Hse, Corporation St, Coventry 0203 553231

Exeter Fund Managers Ltd (1400)F
23 Cathedral Yard, Exeter EX1 1HB 0392 412144

FS Investment Managers Ltd (1200)H
190 West George St, Glasgow 041-332 3132

Fidelity Investment Servs Ltd (1200)F
130, Tonbridge Rd, Tonbridge TN11 9DZ
Callfree Dealings Numbers:
Private Clients 0800 414161
Broker Dealings 0800 414181

Fleming Private Fund Mngt Ltd (1200)F
31 Sun Street, London EC2P 2QP 01-377 9242

Foreign & Colonial Unit Mngmt (1200)F
1 Laurence Pountney Hill, EC4R 0BA 01-623 4680

Forshaw Watson U.T. Mgrs Ltd (1630)F
57 Victoria Square, Bolton, BL1 1LA 0204 33363

Framlington Group (1200)H
3 London Wall Bldgs, EC2M 5NQ 01-628 5181
*Formerly American and General Trust

Robert Fraser Tst Mngt Ltd (1600)F
29 Albemarle St, London W1 01-493 3211

Friends Provident Unit Trusts (1000)F
Castle Street, Salisbury, Wilts.
Dealing 0722 411411 Admin 0722 411622

GA Unit Trust Mngrs Ltd (1000)H
4 Melville Crescent, Edinburgh 031 220 3946

GT Unit Managers Ltd (1200)H
8th Floor, 8 Devonshire Sq, London EC2M 4YJ
01-283 2575 Dealing 01-626 9431

Gartmore Fund Managers (1200)F
Gartmore House, 16-18 Monument Street
London EC3R 8AJ 01-623 1212
Dealings only 0277-264421
Investor Services: Freephone 0800-289 336
* On a switch, units will be issued at Bid price
** Formerly British Tst and Capital Gwth Tst

Glenfriars Unit Tst Mngrs Ltd (0905)F
14 Old Park Lane, London W1Y 3LH 01-491 1357

Global Asset Management (1200)F
GAM Sterling Management Ltd
12 St James's Place, London SW1 01-499 9990

Govett (John) Unit Mgmt Ltd (1000)F
Shackleton House, 4 Battle Bridge Lane, London SE1
01-378 7979 Dealing: 01-407 7888

Granville Unit Tst Mngmt Ltd (0659)F
Mint Hse, 77 Mansell St, London E1 8AF 01-488 1212

Gresham Unit Tst Mngrs (1000)F
1 Houndwell Pl, Southampton SO9 1NY 0703 212080

Grofund Managers Limited (1200)H
51 Belmont Rd, Uxbridge, Middx UB8 1RZ 0895 59783

Guardian Royal Ex Unit Mgrs Ltd (1200)H
36 Harbour Exchange Sq, London E14 9GE 01-538 9668

Gaild Management Ltd (1600)F
3, Finsbury Square, London EC2A 1RT 01-638 2433

Guinness Mahon Unit Tst Mgrs Ltd (1000)F
PO Box 442, 32 St Mary-at-Hill, EC3 01-623 9333

Hambro Generali Fund Mgrs Ltd (1000)F
Admin. 5 Rayleigh Rd, Hutton, Brentwood, Essex
Enquiries 0277 227300 Dealing 0277 261010

Hambros Unit Trust Managers Ltd (1000)F
Admin. 5 Rayleigh Rd, Hutton, Brentwood, Essex
Enquiries 0277 227300 Dealing 0277 261010

Henderson Unit Tst Mngmt Ltd (1200)H
Admin. 5 Rayleigh Road, Hutton, Brentwood, Essex
Enquiries 0277 227300 Dealing 0277 261010

Hill Samuel Unit Tst Mgrs (1200)H
NLA Tower Addiscombe Road, Croydon 01-686 4355

Key Fund Managers Ltd (1200)F
35 Fountain St, Manchester M2 2AF 061 236 5362

Kleinwort Benson Unit Trusts Ltd (1400)F
10 Fenchurch Street London EC3
Dealers 0635 528525 Admin 01-623 8000

LAS Unit Tst Mngrs Ltd (1000)H
93 George St, Edinburgh EH2 3JL 031-225 4908

L & C Unit Tst Mngmt Ltd (0905)F
Piercy House, Copthall Ave, EC2R 7BE 01-588 2800

Laurentian Unit Tst Mngmt Ltd (1200)H
16 Buckingham Gate, London SW1 01-834 6626

Lazard Unit Tst Mngrs Ltd (1200)F
21 Moorfields, London EC2P 2HT 01-588 2721

Legal & General (U.T. Mgrs) Ltd (1200)H
Admin: 5 Rayleigh Road, Hutton, Brentwood Essex
Enquiries 0277 227300 Dealing 0277 261010

Lloyds Bk Unit Tst Mgrs Ltd (1000)F
PO Box 63, Chatham, Kent ME4 4YB
Dealing 0634 834313

Lloyds Bk Unit Tst Mgrs Ltd—Contd.

London & Manchester Tst Mgmt (1000)H
Winslade Park, Exeter EX5 1DS 0392 282673

M & G Securities (y) (0915)H
Three Quays Tower Hill, EC3R 6BQ.
Cust Services 01-626 4588 Unit Dealing 0245 266266

MGM Unit Managers Ltd(z) (1000)H
MGM House, Heene Rd, Worthing
Dealing: 0277 261010 Enq: 01-623 8211

MLA Unit Trust Management (1200)H
1 Sessions Hse Sq, Maidstone ME14 1XX 0622 674751

Maiden Unit Trust Managers Ltd (1200)F
18 Earl Street, London EC2A 1AL 01-638 5757

ManuLife Group PLC (1200)H
St George's Way, Stevenage Dealings 01-256 5858

Marks & Spencer Unit Trust Ltd (1200)F
PO Box 410, Chester X, CH99 9QS 0244 680066

Martin Currie Unit Trusts Ltd (0905)H
48 Melville St, Edinburgh EH3 7HF Dlng 031-220 4924

Mathesen Unit Trust Managers Ltd (1200)H
Admin: 5 Rayleigh Rd, Hutton, Brentwood, Essex
Enquiries 0277 227300 Dealing 0277 261010
1 White Hart Yd, London Bridge, SE1 1NX 01-407 5966

Mayflower Management Co Ltd (1200)F
No. 1 London Bridge, London, SE1 9QU 01-378 7000

Medical Investments Ltd (1100)F
1 White Hart Yard, London SE1 1NX 01-407 5966

Mercury Fund Managers Ltd (1000)H
33 King William St, EC4R 9AS 01-280 2060

Merlin Jupiter Unit Tst Mgrs Ltd (0905)F
197 Knightsbridge, London SW7 1RB 01-581 3020

Metropolitan Unit Trust Mngrs Ltd (1000)F
3 Darkes Lane, Potters Bar EN6 1AJ. 0707 45184

Midland Unit Trusts Ltd (1200)F
192 Eyre Street, Sheffield, S1 3RD 0742 529888

Midland Unit Trusts Ltd—Contd.
Midland Executive Pension Unit Trust
* On a switch, units will be issued at bid price.

MIM Britannia Unit Tst Mgrs Ltd (1000)H
11 Devonshire Square, London, EC2M 4YR 01-626 3434
Call free. Public Dealing: 0800 010333
Intermediary Dealing: 0800 010733

Minster Fund Managers Ltd (1000)F
Minster House, Arthur St, EC4R 9BH 01-623 1050

Morgan Grenfell Unit Tst Mgrs Ltd (1000)H
46 New Broad Street, London EC2M 1UT
Dealers: 01-826 0826 Enquiries: 01-826 0123

Geoffrey Morley Unit Mgrs Ltd (1200)F
4 Temple Place, London WC2R 3HP 01-836 7766

Murray Johnstone UT Mgmt (1600)H
7 West Nile St, Glasgow G2 2PX 0345 090 933

NFU Mutual Unit Mngrs Ltd (1400)F
Admin: 5 Rayleigh Road, Hutton, Brentwood, Essex
Enquiries 0277 227300 Dealing 0277 261010

NM Unit Trust Mngrs Ltd (1200)H
The Bilton Centre, North Harbour, Portsmouth

National Provident Inv Mgrs Ltd (1400)H
48 Gracechurch St, EC3P 3HH 01-623 4200

Norwich Union Tst Managers (1200)H
PO Box 124, 51/59 Rose Lane, Norwich 0603 682234

PK English Trust (Inv Man) Ltd (1600)F
12 Carthusian St, London EC1M 6EB 01-796 1200
† Dealing Day: Wed. *Dealing day: Thurs.

Pearl Unit Trusts Ltd (1000)H
PO Box 500, Thorpe Wood, Peterborough PE3 6SD
Dealing 0800 626577 Enquiries: 0733 47747

Pembroke Administration Ltd (1700)F
18-19 Sandland St, London WC1R 4PZ 01-430 0556

Perpetual Unit Tst Mngmt (1200)F
48 Hart Street, Henley on Thames 0491 576868

Phillips & Drew Unit Managers Ltd
14 Finsbury Square, London EC2A 1PD 01-628 6070

Prolific Unit Tst Mngrs Ltd (1200)H
222 Bishopsgate, London EC2 01-247 7544/7

Providence Capitol Fd Mgrs Ltd (1000)H
30 Uxbridge Road, London W12 8PG 01-749 9111

Provident Mutual Unit Tst Mgrs Ltd (0905)H
25-31 Moorgate, London, EC2R 6BA. 01-588 3903

Prudential Holborn Unit Tsts Ltd (1445)H
51-69 Ilford Hill, Ilford, Essex IG1 2DL 01-478 3377
Holborn LinkLine 0800 010345

Regency Life Unit Trusts Ltd (1400)F
35 Fountain St, Manchester M2 2AF 061 236 5685

Reliance Unit Mgrs. Ltd (1000)H
Reliance House, Tunbridge Wells, Kent 0892 510033

Rock Asset Mgmt (Unit Trust) Ltd (0905)F
Park View House, Front Street, Benton
Newcastle upon Tyne NE7 7TZ (091) 215 0877

N.M. Rothschild Fund Mgmt (1000)F
St Swithin's Lane, London EC4 Dealers: 01-280 5000

Royal Life Fd Mgmt Ltd (1800)H
PO Box 34, Peterborough PE2 0UE. Prices 0345 023537
General Enq: 0733 239000 Dealing 0733 230000

Royal London Unit Tst Mgrs Ltd (1000)H
Royal Ldn Hse, Colchester CO1 1RA 0206 764400

Royal Trust Fund Mgmt Ltd (1700)F
3, Finsbury Sq., EC2A 1RT 01-638 2433
Unit Dealing 01-638 2511

Save & Prosper Group (0905)H
28 Western Rd, Romford RM1 3LB
Capital Hse, 2 Festival Sq., Edinburgh EH3 9SX
(Romford) 0708-766966 or (Edin) 031-228 4300

Savings Corporation Cap Plans Ltd (1100)H
Central Court, Orpington, Kent BR6 0JA

Schroder Unit Trusts Ltd (1200)F
Enterprise House, Isambard Brunel Rd, Portsmouth 0705 827733

Scimitar Unit Tst Mngrs Ltd (1200)F
22 Billiter Street, EC3A 2BE 01-702 9974/5/6

Scottish Amicable Ut Tst Mgrs Ltd (1200)H
150 St Vincent St, Glasgow G2 5NQ 041 204 2200

Scottish Equitable Fd Mgrs Ltd (1000)H
28 St Andrews Sq, Edinburgh 031-556 1051

Scottish Life Investments (1200)H
19 St Andrew Sq, Edinburgh 031-225 2211

Scottish Mutual Inv Mngrs Ltd (1000)F
109 St Vincent St, Glasgow G2 5HN 041-248 6100

Scottish Provident Inv Mgt Ltd (1000)F
6 St Andrew Sq, Edinburgh EH2 2YA 031-556 2527

Scottish Widows' Fund Mngmt (0659)H
PO Box 902, Edinburgh EH16 5BU 031-668 3724

Smith & Williamson Unit Tst Mgrs (1000)F
1 Riding House St, London W1A 3AS 01-637 5377

Sovereign Unit Tst Mngrs Ltd (1000)F
12 Christchurch Rd, Bournemouth 0202 298422

Standard Life Tst Mgmt Ltd (0659)H
3 George St, Edinburgh EH2 2XZ 0800 393777

Stewart Ivory Unit Tst Mgrs Ltd (1500)H
45 Charlotte Sq, Edinburgh 031-226 3271

Sterebrand Intl Inv Mngrs Ltd (1200)F
Admin: 5 Rayleigh Rd, Hutton, Brentwood, Essex
Enquiries: 0277 227300 Dealing 0277 261010

Sun Alliance Unit Tst Mngmt Ltd (1200)F
Sun Alliance House, Horsham 0403 56293

Sun Life of Canada Unit Mgrs Ltd (0905)H
Basingview, Basingstoke, Hants 0800 525752

Sun Life Trust Mngmt Ltd (1200)H
101, Cannon St, London EC4N 5AD
Admin & Enq: 01-606 4044 Dealing: 01-606 6010

Swiss Life Pen Tst Man Co Ltd (1000)H
99-101 London Rd, Sevenoaks 0732 450161

TSB Unit Trusts (y) (1200)F
Charlton Pl, Andover, Hants, SP10 1RE 0264 63434

Target Trust Mngrs Ltd (1600)F
Target Hse, Gatehouse Rd, Aylesbury, Bucks
Admin: 0296 394000 Dealing: 0296 394000

Templeton Unit Trust Managers Ltd (1200)F
Abbot Crescent, Edinburgh EH3 8HA 031 228 3932

Thornton Unit Managers Ltd (1000)F
33 Cavendish Sq., London W1M 7HF 01-493 7262
Dealing 01-493 8545

Touche Remnant Unit Tst Mngt Ltd (1600)F
Mermaid Hse, 2 Puddle Dock, EC4 01-248 1250
4 Hourly Pricing—12 Noon Historic

Trades Union Unit Tst Mngrs (1200)H
NLA Tower, Addiscombe Road, Croydon 01-686 4355

Triton Fd Mngrs. Ltd. (1000)H
Royal Ldn. Hse. Colchester CO1 1RA 0206 764400

Tyndall Unit Tst Mngrs Ltd (1600)F
25 Bucklersbury, London EC4N 0800 373574

UK Unit Trust Managers Ltd (0905)F
Worthing Road, Horsham, RH12 1SL 0403 40033

UTAM Ltd (1300)F
1 White Hart Yard, London Bridge, SE1 01-407 5966
Advisors: Henderson Crosthwaite Ltd

United Charities Unit Trusts (1000)H
Unicorn Hse, 252 Romford Rd, E7 01-534 5544

Vanguard Unit Tst Mgrs see Capability Tst Mgrs

Wardley Unit Tst Mngrs Ltd (0900)H
3 Harbour Exchange, London, E14 9GJ 01-955 5055

Waverley Unit Tst Mngmt Ltd (1000)F
13 Charlotte Sq, Edinburgh 031-225 1551

Wellington Fund Mngrs Ltd (1200)F
2, London Bridge, SE1 01-407 4404

Wessex Asset Management (1330)F
1 Richmond Hill, Bournemouth BH2 6HW 0202 299432

Whittingdale Unit Tst Mgmt Ltd
2 Honey Lane, London EC2V 8BT 01-606 3132

Willbro Financial Services Ltd (0905)F
PO Box 515 Austin Friars, London EC2 01-588 7511

GUIDE TO UNIT TRUST PRICING

INITIAL CHARGES
These represent the marketing, administrative and other costs which have to be paid by new purchasers. These charges are included in the price when the customer buys units.

OFFER PRICE
The price at which units may be bought.

BID PRICE
The price at which units may be sold.

CANCELLATION PRICE
The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, unit trust managers quote a much narrower spread. As a result, the bid price is often set well above the minimum permissible price which is called the cancellation price in the table. However the bid price might be moved to the cancellation price in circumstances in which there is a large excess of sellers of units over buyers.

TIME
The time shown alongside the fund manager's name is the time at which the unit trusts' daily dealing prices are normally set unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows. ♥ - 0001 to 1100 hours; ♦ - 1101 to 1400 hours; ♣ - 1401 to 1700 hours; ♠ - 1701 to midnight.

HISTORIC PRICING
The letter H denotes that the managers will deal on a historic price basis. This means that investors can obtain a firm quotation at the time of dealing. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis.

FORWARD PRICING
The letter F denotes that prices are set on a forward basis so that investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper show the prices at which deals were carried out yesterday.

SCHEME PARTICULARS AND REPORTS
The most recent report and scheme particulars can be obtained free of charge from fund managers. Other explanatory notes contained in last column of the FT Unit Trust Information pages.

هكذا عند الأصل

FT UNIT TRUST INFORMATION SERVICE

● Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

OTHER UK UNIT TRUSTS

Baillie Gifford & Co Ltd
Int'l Exempt June 7 ..... 485.3 503.8 | | |
Cent. Rd. of Fin. of Church of England:
2 Fore Street, London EC2Y 5AG 01-588 1815
Jan Fund Aug 21 ..... 193.4 | | 4.57
Fed Int Ser Aug 31 ..... 141.8 | | 10.08
Deposit Aug 31 ..... 100.0 | | 03.45
Cheltenham Charitishare: CL0005F
33 King William Street, EC4R 9AS 01-280 2800
C'tions Inc Sept 20 ..... 163.3 167.3xd -1.00 3.90
C'tions Acc Sept 20 ..... 166.5 170.5xd -1.00 4.00
C'tions Low Sept 20 ..... 166.0 170.0xd -1.00 4.00
C'tions Acc Sept 20 ..... 181.0 187.7xd -1.40 4.00
Charities Official Invest. Fund:
2 Fore Street, London EC2Y 5AG 01-588 1815
Income Aug 31 ..... 77.71 | | 4.68
Income Aug 31 ..... 1773.06 | | 0.00
Edinburgh Fund Mngrs PLC
Deposit Funds
American Sept 20 ..... 154.7 159.0 -4.4 1.42
Capital Sept 20 ..... 149.2 153.3 -4.1 1.42
Inco Sept 20 ..... 146.3 150.5 -4.1 0.14
Pacific Sept 20 ..... 337.5 347.3 +9.5 0.19
South East Asia Sept 20 ..... 324.3 340.6 +0.5 1.90
Fidelity Investment Services Ltd
Managed Pen P'folio ..... 136.6 140.4xd -0.50 0.90
Robert Fleming Asset Mngmt Ltd
Am Exempt Sept 19 ..... 6449.03 6624.65 | | 1.90
Gen Exempt Sept 19 ..... 1134.36 1377.16 | | 3.65
Int Exempt Sept 19 ..... 6049.09 6214.77 | | 0.00
Pacific Exempt Sept 19 ..... 1184.11 1216.71 | | 0.15
Small Cos Exempt Sept 19 ..... 1284.57 1319.47 | | 0.00
World Exempt Sept 19 ..... 1184.11 1216.71 | | 1.77
Foreign & Colonial Pens Mngt Ltd
Deposit Funds
Apollo-Hippon Sep 18 ..... 21549.9 22433.8 -495.0 0.86
Asia Pac Sep 18 ..... 1139.7 1176.2 -25.9 0.00
European Acc Sep 18 ..... 1119.7 1126.1 +0.8 1.24
North American Sep 18 ..... 3877.0 4009.1 +10.0 1.52
South East Asia Sep 18 ..... 3244.3 3480.2 +0.5 1.90
Funds in Court*:
Capital Sept 20 ..... 512.1 514.6 | | 1.96
Gross Sept 20 ..... 211.6 212.7 | | 6.82
High Yield Sept 20 ..... 1044.01 1078.01 | | 5.45
* Restricted to monies under Court control
Henderson Unit Trust Management Ltd
Pension Mngd ..... 53.92 56.42 -0.20 2.97
Lazard Brothers & Co. Ltd
Pension Fund ..... 1438.0 1520.0 | | 4.6
Select Fund ..... 1420.0 1480.0 | | 6.8
La ard Investors Ltd ‡‡
Deposit Funds
Small Cos Sept 18 ..... 4558.0 4796.0 | | 1.9
Far East Sept 18 ..... 3628.0 3818.0 | | 0.7
American Sept 18 ..... 3373.0 377.0 | | 1.8
Far Eastern Sept 18 ..... 5774.0 799.8 | | 0.7
Income Sept 18 ..... 1439.0 1514.0 | | 4.6
Exempt Sept 19 ..... 1216.7 1280.3 | | 0.8
Northern Sept 19 ..... 1240.8 1305.5 | | 1.4
North West Sept 19 ..... 1262.0 1328.0 | | 1.4
Select Sept 19 ..... 191.4 96.4 | | 0.00
W Midlands Aug 31 ..... 6307.2 223.5 | | 1.51
Local Authorities Mutual Invest. Tst.* 01-588 1815
2 Fore Street, London EC2Y 5AG
Managed ..... 97.70 | | 3.90
Equity Aug 31 ..... 97.70 | | 3.90
Fed Int. Sec Aug 31 ..... 97.70 | | 00.61
* Available only to Local Authorities
M & G Securities Ltd
Clermont ..... 101.6 103.4 (g) 11.17
(Accum Units) ..... 467.6 487.6 (g) 11.17
MANIF Sep 28 ..... | 45.1 (g) 8.51
MIM Ltd
Deposit Fund
Int'l Mngt P'folio ..... 1284.0 1383.0 | | 0.80
Mngd Pens (Acc) ..... 167.1 73.71 | | 0.80
Morgan Grenfell Inv Mngmt Ltd
Exempt Funds
UK Equity Sep 19 ..... 6131.28 135.19 | | 2.71
UK Small Co Sep 19 ..... 6284.02 716.78 | | 7.68
Fixed Interest Sep 19 ..... 6101.76 101.71 | | 8.69
Int Sec Fd Cos Sep 19 ..... 6.5.59 99.00 | | 0.14
Managed Sep 19 ..... 110.34 116.77 | | 0.00
Murray Johnstone UT Mngmt
Murray Exempt Funds
Amer Exempt Sept 20 ..... 52.2 54.2 | | 2.18
Am Exempt Sept 20 ..... 57.9 60.79 | | 2.15
Fixed Int Ex Sept 20 ..... 47.8 50.1 | | 10.05
Japan Exempt Sept 20 ..... 43.9 46.1 | | 0.57
Pacific Exempt Sept 20 ..... 44.5 46.7 | | 0.28
SE Asia Exempt Sept 20 ..... 63.2 66.3 | | 1.48
Sm Cos Exempt Sept 20 ..... 48.1 50.5 | | 2.90
UK Exmp Fd Sept 20 ..... 44.8 47.0 | | 3.58
New Court Property Fund Managers
NC Property ..... 208.3 227.2 | | |
Phillips & Drew Fund Management Ltd.
PDFM Small Co's Sep 5 ..... 905 954 | | 4.1
Dr Reserve ..... 1014 | | 5.9
PDFM Int. Exempt Sept 28 ..... 175 178 | | 5.9
PDFM UK Index Sep 5 ..... 1171.0 1196.0xd | | 3.6
Do Accum ..... 1181.0 1206.0 | | 3.6
PDFM Overseas ..... | | 1.73
PDFM Bond Exempt ..... | | |
PDFM Ind Unit Exempt ..... | | |
PDFM Convertible ..... 105.3 107.6 -0.27 7.0
J. Rothschild Fund Managers Ltd
Intl Exempt ..... 136.5 138.91 | | 1.74
Stewart Ivory & Co Ltd
Scimtr PPP Sept 14 ..... 1273.5 287.2† +8.1† 0.00
† Scimtr Income
Thornton Unit Managers Ltd
Managed Exempt Sept 1 ..... 1105.29 110.78 | | 3.75
(Accum Units) ..... 1105.29 110.78 | | 3.75

INSURANCES

AA Friendly Society
Investment Mngt M & G Inv Mngt Ltd
AA Friendly Sr Aug 31 ..... 174.51 | |
Abbey Life Assurance Co Ltd
80 Holdenhurst Road, Bournemouth 0202 292373
Prop. Ser. 1 ..... 1311.9 1338.4 | | -0.5
Equity Ser. 1 ..... 1398.9 1426.4 | | -0.5
Prop. Acc. Ser 2 ..... 1311.9 1338.4 | | +0.7
Equity Ser. 2 ..... 1441.3 1470.8 | | -1.7
Selective Acc ..... 1334.0 1374.8 | | 4.4
Prop. Ser. 4 ..... 1341.2 1368.4 | | |
Equity Ser. 4 ..... 1441.2 1470.8 | | -0.5
Mile. Ser 4 ..... 1433.6 1474.9 | | 0.6
Fixed Int. Ser. 4 ..... 2222.9 2247.7 | | +0.1
Selective Ser. 4 ..... 1330.5 1369.8 | | |
Japan Ser 4 ..... 1343.9 1382.0 | | +1.6
Deposit Ser 4 ..... 1406.0 1446.9 | | +0.1
High Inc. Ser. 4 ..... 1426.0 1499.5 | | +0.1
Money Ser. 4 ..... 2346.1 2417.0 | | |
Int Ser. 4 ..... 1110.2 1116.1 | | +0.5
Distributing Ser. 4 ..... 1102.4 1107.8 | | |
Pension Funds
Property ..... 1448.5 1493.0 | | +0.17
Equity ..... 1384.4 1426.0 | | -3.14
Selective ..... 1384.2 1404.5 | | -0.7
Managed ..... 1412.7 1408.2 | | -0.1
Property ..... 1407.7 1449.9 | | |
Fixed Int ..... 2020.0 2046.4 | | +0.6
American ..... 1390.0 1432.6 | | +4.7
Japanese ..... 1742.2 1798.4 | | +0.3
High Income ..... 1327.6 1394.9 | | -1.5
Gilt Edged ..... 1208.3 1219.1 | | +0.7
Interest Fund ..... 1208.3 1219.1 | | +0.7
Abtrust Management Ltd
10 Queens Terrace, Aberdeen AB9 1QJ 0606 733580
Managed Growth ..... 750.22 789.46 | | |
Managed Income ..... 750.22 789.46 | | |
Aetna Life Insurance Co Ltd
2-12 Pentonville Rd, London N1 9HD 0800 010575
Dir Funds (Accumulating Units)
Sentinel ..... 12.96 13.64 +0.01 |
Bear ..... 14.12 14.87 +0.03 |
Bull ..... 16.78 19.77 +0.03 |
Gilt ..... 12.96 13.64 +0.01 |
Star ..... 17.17 18.08 +0.02 |
Gilt-Edged ..... 12.32 |
Deposit ..... 11.61 +0.01 |
North American ..... 10.95 11.53 +0.02 |
European ..... 10.56 11.11 +0.04 |
Property ..... 12.44 13.10 +0.01 |
Index-Linked ..... 11.70 12.32 |
Far Eastern ..... 12.84 13.52 +0.04 |
UK Equity ..... 14.42 15.18 +0.01 |
Fixed Interest ..... 11.61 12.23 |
Gilt Edged (Gtd) ..... 9.81 10.33 |
1982 Series
UK Equity ..... 307.3 323.5 +1.4
North American ..... 212.0 223.1 +0.7
Far Eastern ..... 260.5 274.2 +0.9
European ..... 219.8 231.4 +0.8
Cash Deposit ..... 148.2 156.0 +0.1
Property ..... 136.0 143.1 +0.5
Gilt Edged ..... 107.4 113.0 +0.1
Managed ..... 260.3 273.9 +0.8
Index Linked Fund ..... 147.6 155.4 +0.5
Star Managed 1 ..... 240.4 253.1 +0.8
Star Managed 2 ..... 241.4 254.0 +0.8
Pre-1982 Series
5 Way ..... 452.2 652.2 | | -1.4
Equity ..... 1412.3 423.8 | | -0.5
Property ..... 204.6 215.4 | | +0.01
Fixed Interest ..... 1.00.2 105.4 | | +0.1
Pension Funds (Accumulation Units)
Sentinel ..... 15.50 16.14 +0.02 |
Bear ..... 17.62 18.36 +0.03 |
Bull ..... 20.96 22.49 +0.03 |
Gilt ..... 15.50 16.14 +0.02 |
Star ..... 20.84 21.49 +0.02 |
Gilt-Edged ..... 15.50 |
Deposit ..... 13.22 +0.01 |
North American ..... 11.20 11.79 +0.02 |
European ..... 11.49 12.09 +0.04 |
Property ..... 14.46 15.24 +0.01 |
Index-Linked ..... 11.76 12.38 |
Far Eastern ..... 11.77 12.40 +0.04 |
Fixed Interest ..... 12.14 12.77 +0.01 |
Gilt Edged (Gtd) ..... 10.05 10.58 |
1982 Series
UK Equity ..... 1909.1 325.41 +0.51
Pre 1982 Series
Aetna Life
5 Way ..... 709.0 709.0 -22.0
Equity Pension ..... 1224.1 1224.1 +71.41
Deposit ..... | | |
Pension Fund Managed ..... 729.10 723.10† +25.91
† Current Assumed
Mixed Managed ..... 238.16 240.03 -0.01
Gilt Edged ..... 13.91 -0.01
Albany Life Assurance Co Ltd
3 Darkes Lane, Potters Bar EN6 1AJ 0707 42933
Life Funds
Brit Blue Chip Fd Acc(2) ..... 1485.2 152.8 -0.5
Equity Fd Acc(2) ..... 1094.0 1153.6 -14.0
Int'l Fd Inc. Fd Acc(2) ..... 970.2 988.0 -6.4
Fixed Int. Acc(2) ..... 349.5 367.9 +0.2
Gtd Money Fd Acc(2) ..... 299.9 309.5 +0.2
High Income Fd Acc(2) ..... 1000.2 1053.1 -2.5
Int'l Mngd Fd Acc(2) ..... 432.5 468.3 -2.5
Japan Fd(2) ..... 304.4 320.5 +0.6
UK Small Co's Fd Acc(2) ..... 1251.7 1301.2 +2.3
Executive Mnthe ..... 1221.6 1277.9 +0.4
Global Mnthe ..... 1106.4 114.3 -0.6
Sterling Mnthe ..... 1229.9 1293.5 -1.6
UK Mnthe ..... 1257.0 1278.5 +0.4
Mth Americas Fd Acc(2) ..... 1223.4 1294.6 -2.1
Pac Basin Fd Acc(2) ..... 1833.0 1771.5 -2.8
Prop Fd Acc(2) ..... 1197.8 1246.1 +0.3
Mthlincom ..... 1109.0 1166.0 -1.1
Multiple Fd Acc(2) ..... 1744.6 783.7 -5.6
Pension Funds
Brit Blue Chip Acc(2) ..... 1145.3 174.0 -0.4
Eq Pen Fd Acc(2) ..... 2174.6 2289.0 -37.5
Euro Fd Acc(2) ..... 371.1 990.6 +0.7
Fixed Int. Acc (2) ..... 723.1 739.3 -0.6
Gt Money Pn Acc(2) ..... 437.6 440.5 +0.1
High Interest ..... 148.2 156.0 +0.2
High Income Fd Acc(2) ..... 1301.7 1373.4 -0.5
Int'l Mnes Fd(2) ..... 1448.4 1703.5 -3.0
Jap Pen Fd Acc(2) ..... 431.1 453.7 -1.4
UK Small Co's Fd Acc(2) ..... 1353.7 1410.7 -0.5
European Mnthe ..... 1118.5 1242.6 +0.6
Global Mnthe ..... 1128.6 1234.0 -1.2

Albany Life Assurance Co Ltd—Contd.
Sterling Mnthe ..... 1237.4 1344.8 -5.5
UK Mnthe ..... 1258.5 1322.1 -4.5
Prop Ser Fd Accts ..... 1241.2 1282.4 +0.8
Property Fd ..... 611.2 658.2 +0.1
Far East Acc ..... 2377.7 2529.2 +0.1
European Acc ..... 25.4 26.8 +0.1
Managed Acc ..... 1714.4 1820.0 +0.1
American Equity Acc ..... 479.9 503.3 +0.1
American Mth Acc ..... 220.7 232.4 +0.1
Managed Prop Acc ..... 147.1 154.9 +0.1
Pen. P.I.Dep.Cap ..... 1294.6 1362.7 +0.1
Pen.P.I.Dep.Acc ..... 1299.8 1367.7 +0.1
Pen. Prop. Cap ..... 1277.3 1344.5 +0.1
Pen. Prop. Acc ..... 1144.2 1204.5 +0.1
Pen. Mngd. Cap ..... 1021.9 1075.7 +0.1
Pen. Mngd. Acc ..... 1648.3 1736.2 +0.2
Pen. Gilt Edg. Cap ..... 816.8 859.8 +0.1
Pen. Gilt Edg. Acc ..... 995.4 1047.7 +0.1
Pen. Am. Eq. Cap ..... 1448.1 1524.3 +0.2
Pen. Am. Eq. Acc ..... 1448.1 1524.3 +0.2
Pen. Am. Fd. Cap ..... 1296.9 1367.3 +0.2
Pen. Am. Fd. Acc ..... 1296.9 1367.3 +0.2
Pen. Am. Eq. Acc ..... 1296.9 1367.3 +0.2
Pen. Far East Cap ..... 2314.3 2436.0 +0.1
Pen. Far East Acc ..... 2314.3 2436.0 +0.1
Pen. Euro Cap ..... 90.9 95.6 +0.1
Pen. Euro Acc ..... 90.9 95.6 +0.1
Pen. Int. Cap ..... 536.7 588.8 +0.7
Pen. Int. Acc ..... 533.2 599.9 +0.7
Pen. U.K.P. Cap ..... 201.4 211.4 +0.1
Pen. U.K.P. Acc ..... 201.4 211.4 +0.1
Pen. Managed Cap ..... 1210.7 1274.4 +0.1
Pen. Managed Acc ..... 1189.3 1251.0 +0.1
Pension Funds
Pen Eq Cap ..... 30.9 32.6 +0.1
Pen Eq Acc ..... 32.4 34.2 |
Pen Am Eq Cap ..... 34.7 36.6 +0.1
Pen Am Eq Acc ..... 34.7 36.6 +0.1
Pen Far East Cap ..... 36.2 38.1 +0.1
Pen Far East Acc ..... 36.2 38.1 +0.1
Pen Euro Cap ..... 41.6 43.8 +0.1
Pen Euro Acc ..... 41.7 44.1 +0.1
Money Funds
Pen Eq Cap ..... 30.9 32.6 +0.1
Pen Eq Acc ..... 32.4 34.2 |
Pen Am Eq Cap ..... 34.7 36.6 +0.1
Pen Am Eq Acc ..... 34.7 36.6 +0.1
Pen Far East Cap ..... 36.2 38.1 +0.1
Pen Far East Acc ..... 36.2 38.1 +0.1
Pen Euro Cap ..... 41.6 43.8 +0.1
Pen Euro Acc ..... 41.7 44.1 +0.1
Money Funds
Pen Eq Cap ..... 30.9 32.6 +0.1
Pen Eq Acc ..... 32.4 34.2 |
Pen Am Eq Cap ..... 34.7 36.6 +0.1
Pen Am Eq Acc ..... 34.7 36.6 +0.1
Pen Far East Cap ..... 36.2 38.1 +0.1
Pen Far East Acc ..... 36.2 38.1 +0.1
Pen Euro Cap ..... 41.6 43.8 +0.1
Pen Euro Acc ..... 41.7 44.1 +0.1
Ambassador Life Assce. Co Ltd
80 Holdenhurst Rd, Bournemouth 0202 292345
Equity Pens Fund ..... 1167.3 176.2† -0.31
† Estimated
American Life Insurance Co UK
2-8 Altyre Road, Croydon CR9 2LA 01-680 6000
Life Funds (Accumulation Units)
Provident Managed(x) ..... 150.4 166.8 |
Alpha Managed(x) ..... 1129.9 135.9 -0.2
HSCA Managed(x) ..... 1092.9 109.0 -0.1
UK Equity(x) ..... 1134.1 141.2 |
Deposit(x) ..... 1125.2 127.3 |
Property(x) ..... 1174.5 186.9 |
American(x) ..... 1064.3 111.9 |
Far Eastern(x) ..... 1104.3 122.5 |
Fixed Interest(x) ..... 1.00.4 107.4 |
Fixed Interest(x) ..... 97.0 102.1 |
European(x) ..... 113.9 120.0 +0.5
Variable Funds (Accumulation Units)
Provident Managed(x) ..... 1064.3 106.1 |
Alpha Managed(x) ..... 1092.9 107.2 -0.2
HSCA Managed(x) ..... 1092.9 109.0 -0.1
UK Equity(x) ..... 148.7 156.6 |
Deposit(x) ..... 1125.0 131.7 +0.1
Property(x) ..... 1174.5 186.9 |
American(x) ..... 107.8 113.6 |
Far Eastern(x) ..... 1104.3 122.5 |
Fixed Interest(x) ..... 1.00.4 106.5 |
Fixed Interest(x) ..... 104.0 109.5 |
European(x) ..... 1120.9 127.4 +0.6
Cash Guaranteed(x) ..... 107.3 +0.1
Initial Unit prices available on request.
Avon Insurance Plc
Tiddington Rd, Stratford-upon-Avon CV37 ..... 0789 204211
Bonus Fund ..... 71.96 73.43† |
Barclays Life Assur. Co Ltd
252 Romford Road, London E7 ..... 01-534 5544
Managed Fund ..... 412.4 |
Managed Accum ..... 419.9 435.7 -1.9
Equity Accum ..... 496.5 513.2 +1.7
Property Accum ..... 353.8 367.2 +0.2
International Accum ..... 340.2 352.7 -0.9
Gilt-edged Accum ..... 240.4 244.2 |
Money Accum ..... 209.1 209.1 +0.01
Pension Accum ..... 221.3 229.8 +0.1
Australia Accum ..... 197.3 207.7 +3.5
Financial Accum ..... 274.9 287.7 +4.5
Exempt Accum ..... 542.0 561.0 +0.4
European Growth Accum ..... 184.3 194.1 +3.5
Income Accum ..... 364.7 385.0 |
Japan & Gen Accum ..... 469.4 493.2 +2.8
Select Cos Accum ..... 1.00.4 105.4 +0.5
Spec Sits Fd Accum ..... 173.5 182.7 +1.5
Universal Tec Accum ..... 134.8 133.5 -0.7
Smaller Co's Accum ..... 1.36.6 143.8 |
Do Initial ..... 1.29.1 136.9 |
Managed Pns Accum ..... 1.93.7 205.0 -0.9
Property Pns Accum ..... 1.99.4 209.9 |
Inter Pns Accum ..... 1.84.2 193.6 -0.6
Gilt-edged Pns Accum ..... 177.7 187.5 |
Money Pns Accum ..... 1.70.2 179.0 |
Equity Pns Accum ..... 1.74.9 184.2 -0.3
Income Pns Accum ..... 1.12.7 118.7 -0.3
Smaller Cos Pns Accum ..... 1.22.7 128.4 -0.4
Financial Pns Accum ..... 1.07.2 112.9 -0.5
Black Horse Life Ass. Co Ltd
Mountbatten Hse, Chatham, Kent. 0634 834000
Life Funds
The Managed Fund (C) ..... 1338.67 364.90 -10.18
The Money Fund ..... 1200.72 1264.71 +0.56
The Equity Growth Fund ..... 1408.97 1414.71 -42.39
The Windsor Fund (C) ..... 1.00.00 1.00.00 -0.00
The Capital Fund ..... 1449.96 472.00 -0.31
Barclays Am. Equity Fd ..... 1.00.00 1.00.00 -0.00
The Int Pensions Fund ..... 1402.08 402.34 -0.96
The Bath Street Fund ..... 1.00.00 1.00.00 -0.00
The Emerging Int Fd ..... 1.44.06 151.56 -1.06
The Pacific Basin Fund ..... 1.34.06 1.33.76 -0.46
The Japan Growth Fund ..... 1.30.00 1.37.00 -0.46
The Japan Growth Fund ..... 1.10.32 221.39 -0.07
The UK Growth Fund ..... 1.62.16 160.17 -0.56
The Quad Fund (C) ..... 1.00.00 99.10 -0.00
The Annuity Fund ..... 1.49.18 157.04 -3.06
The Property Fund ..... 1.04.83 299.83 +0.18
The Fixed Interest Fd ..... 1.18.00 1.18.00 -0.00
The Gilt Fund ..... 1.07.22 113.47 +0.33
The Managed Fund ..... 1.97.86 +0.33
Canada Life Group
2-6 High St, Potters Bar, Herts 0707 51122
Equity Gth Aug 29 ..... 210.8 |
Retirement Aug 5 ..... 755.6 |
Canada Life Assurance Co
74 Shepherds Bush Green, W12 8SD 01-740 7070
Life Funds
UK Equity ..... 211.3 222.4 |
Property Equity ..... 1.47.2 152.2 |
Far East Equity ..... 210.9 222.4 |
Managed Fund Acc ..... 469 494 |
Managed Fund Equity ..... 1.73.7 1.81.2 |
Gilt Edged ..... 1.15.3 1.21.1 |
Money Fund ..... 1.64.5 1.70.7 |
CDL Pensions ..... 1.00.5 1.05.8 |
CDL Property ..... 1.00.0 1.05.2 |
CDL Property ..... 347 366 |
Smaller Cos ..... 371.7 392.1 |
Managed Fund Equity ..... 1.73.6 181 |
Canada Life Group
2-6 High St, Potters Bar, Herts 0707 51122
Equity Gth Aug 29 ..... 210.8 |
Retirement Aug 5 ..... 755.6 |
Managed Pen Fund ..... 398.7 419.2 |
Property Pen Fund ..... 194.9 205.3 |
Equity Pen Fd ..... 1.94.1 1.97.1 |
Index-Linked Pen Fd ..... | |
Cash & Pension Account ..... Suspended |
Managed Pen Fd Acc ..... 403.9 424.8 |
Property Pen Fd ..... 241.1 254.1 |
Equity Pen Fd ..... 206.8 217.7 |
Fixed Interest Pen Fd ..... 165.9 174.7 |
Gilt & Fd Int Pen Fd ..... 1.39.2 146.7 |
Cash Pen Fd ..... 275.2 289.7 |
Pen. A.A.P. Cap ..... 333.2 349.9 |
Pen. A.A.P. Acc ..... 701.9 737.8 |
Pen. A.P. Cap ..... 201.4 211.4 |
Pen. A.P. Acc ..... 201.4 211.4 |
Managed Pen Cap ..... 1.50.2 1.58.2 |
Managed Pen Acc ..... 1.89.3 1.98.0 |
Deposit Funds
Pen Eq Cap ..... 30.9 32.6 +0.1
Pen Eq Acc ..... 32.4 34.2 |
Pen Am Eq Cap ..... 34.7 36.6 +0.1
Pen Am Eq Acc ..... 34.7 36.6 +0.1
Pen Far East Cap ..... 36.2 38.1 +0.1
Pen Far East Acc ..... 36.2 38.1 +0.1
Pen Euro Cap ..... 41.6 43.8 +0.1
Pen Euro Acc ..... 41.7 44.1 +0.1
Money Funds
Pen Eq Cap ..... 30.9 32.6 +0.1
Pen Eq Acc ..... 32.4 34.2 |
Pen Am Eq Cap ..... 34.7 36.6 +0.1
Pen Am Eq Acc ..... 34.7 36.6 +0.1
Pen Far East Cap ..... 36.2 38.1 +0.1
Pen Far East Acc ..... 36.2 38.1 +0.1
Pen Euro Cap ..... 41.6 43.8 +0.1
Pen Euro Acc ..... 41.7 44.1 +0.1
Cannon Assurance Ltd (z)
1 Olympic Way, Wembley HA9 0NB 01-902 8876
Equity Pension Life Assurance(x)
Equity ..... 466.0 478.3 |
High Income ..... 443.5 473.2 |
Managed ..... 1.00.0 1.06.6 |
Property ..... 1.00.0 1.06.6 |
Managed 2 ..... 1.00.0 1.06.6 |
Deposit ..... 1.00.0 1.06.6 |
Managed 3 ..... 1.00.0 1.06.6 |
Deposit ..... 1.00.0 1.06.6 |
Managed 4 ..... 1.00.0 1.06.6 |
Deposit ..... 1.00.0 1.06.6 |
Managed 5 ..... 1.00.0 1.06.6 |
Deposit ..... 1.00.0 1.06.6 |
American ..... 1.00.0 1.06.6 |
International Money ..... 1.00.0 1.06.6 |
Fixed ..... 1.00.0 1.06.6 |
Pen Equity ..... 1.00.0 1.06.6 |
Pen Managed ..... 1.00.0 1.06.6 |
Pen Property ..... 1.00.0 1.06.6 |
Pen Deposit ..... 1.00.0 1.06.6 |
Pen Fixed Int ..... 1.00.0 1.06.6 |
Pen Int ..... 1.00.0 1.06.6 |
Pen Far East ..... 1.00.0 1.06.6 |
Pen Global ..... 1.00.0 1.06.6 |
Pen Managed ..... 1.00.0 1.06.6 |
Pre-1982 Series
Equity ..... 1.00.0 1.06.6 |
Managed ..... 1.00.0 1.06.6 |
Property ..... 1.00.0 1.06.6 |
Deposit ..... 1.00.0 1.06.6 |
Fixed Int ..... 1.00.0 1.06.6 |
Int ..... 1.00.0 1.06.6 |
Far East ..... 1.00.0 1.06.6 |
Global ..... 1.00.0 1.06.6 |
European ..... 1.00.0 1.06.6 |
Managed ..... 1.00.0 1.06.6 |
Heritage Property ..... 1.00.0 1.06.6 |
Int'l Currency Bond ..... 1.00.0 1.06.6 |
Managed Pens Fund ..... 1134.2 142.0† +0.41
† Estimated Bond/Fund ..... 546.95 49.68† +0.06
Citizens British National
Perrymount Road, Haywards Heath 0444 414121
Managed ..... 268.1 277.7 |
International ..... 279.6 294.5 |
Property ..... 276.2 293.9 |
Equity ..... 1.94.3 1.94.8 |
American ..... 1.98.6 201.7 |
Gilt ..... 1.28.2 129.9 |
Fixed Interest ..... 1.78.0 187.4 |
Deposit ..... 1.44.0 151.4 |
Managed Series 2 ..... 1.00.0 1.06.5 |
Managed Series 2 ..... 280.9 295.7 |
International Series 2 ..... 279.8 294.5 |
Equity Series 2 ..... 1.94.3 1.94.8 |
UK Growth Earth Ser 2 ..... 1.39.1 146.7 |
Managed Pension Accum ..... 268.0 271.5 |
Managed Pensions Cap ..... 230.7 243.0 |
Property Pens Accum ..... 1.78.7 1.88.2 |
Property Pens Cap ..... 1.78.7 1.88.2 |
Equity Pensions Accum ..... 1.94.3 1.94.8 |
Equity Pensions Cap ..... 1.94.3 1.94.8 |
Fixed Int Pens Accum ..... 1.78.0 187.4 |
Fixed Int Pens Cap ..... 1.78.0 187.4 |
Int'l Pens Accum ..... 1.44.0 151.4 |
Int'l Pens Cap ..... 1.44.0 151.4 |
Deposit Pens Accum ..... 1.44.0 151.4 |
Deposit Pens Cap ..... 1.44.0 151.4 |
Gilt Pens Accum ..... 1.28.2 129.9 |
Gilt Pens Cap ..... 1.28.2 129.9 |
Far East Pens Accum ..... 1.98.6 201.7 |
Far East Pens Cap ..... 1.98.6 201.7 |
American Pens Accum ..... 1.98.6 201.7 |
American Pens Cap ..... 1.98.6 201.7 |
Australia Pens Accum ..... 1.98.6 201.7 |
Australia Pens Cap ..... 1.98.6 201.7 |
Equity Pensions Cap ..... 1.94.3 1.94.8 |
Equity Pensions Accum ..... 1.94.3 1.94.8 |
Property Pens Accum ..... 1.78.7 1.88.2 |
Property Pens Cap ..... 1.78.7 1.88.2 |
Managed Pens Accum ..... 268.0 271.5 |
Managed Pens Cap ..... 230.7 243.0 |
Japan & Gen Pens Accum ..... 1.98.6 201.7 |
Japan & Gen Pens Cap ..... 1.98.6 201.7 |
Europe Pens Accum ..... 1.98.6 201.7 |
Europe Pens Cap ..... 1.98.6 201.7 |
Financial Pens Accum ..... 1.98.6 201.7 |
Financial Pens Cap ..... 1.98.6 201.7 |
Pens Deposit Accum ..... 1.98.6 201.7 |
Pens Deposit Cap ..... 1.98.6 201.7 |
Clerical Medical Investment Group
Barnet Plain, Bristol BS2 0JH 0272 290566
Investment Funds
Equity ..... 1.93.7 1.30.3 -0.8
Managed ..... 1.44.0 1.51.7 -0.9
Property ..... 1.93.1 1.97.5 |
Fixed Interest ..... 1.93.1 1.97.5 |
UK Equity ..... 1.48.0 1.52.9 -0.4
Property ..... 1.47.1 1.51.8 |
Managed Cap ..... 1.44.0 1.51.7 -0.9
Managed Acc ..... 1.44.0 1.51.7 -0.9
Fixed Interest ..... 1.93.1 1.97.5 |
Index Linked ..... 1.93.1 1.97.5 |
Deposit ..... 1.93.1 1.97.5 |
Pension Funds
Cash ..... 1.93.1 1.97.5 |
Managed ..... 1.93.1 1.97.5 |
Equity ..... 1.93.1 1.97.5 |
Fixed Interest ..... 1.93.1 1.97.5 |
UK Equity ..... 1.93.1 1.97.5 |
Property ..... 1.93.1 1.97.5 |
Overseas Equity ..... 1.93.1 1.97.5 |
Gilt & Fixed Int ..... 1.93.1 1.97.5 |
Index Linked ..... 1.93.1 1.97.5 |
Stock Exchange ..... 1.93.1 1.97.5 |
Prices at September 20 Unit dealings on Weds.
Colonial Mutual Group
24 Lagoon Hill, London EC4P 4BD 01-248 9861
Life Fund (Accumulation)
Key ..... 199.27 |
Pacemaker ..... 1.00.00 |
Pacemaker ..... 1.48.35 1.56.68 |
Equity ..... 407.04 428.46 |
Fixed Interest ..... 220.66 232.27 |
Managed ..... 1.00.00 1.00.00 |
Deposit ..... 361.38 401.45 |
Gtd. Pension Annuities—Selective Plans
Cash Cap ..... 157.75 166.07 |
Cash Acc ..... 157.75 166.07 |
Equity Cap ..... 1.00.5 1.05.8 |
Equity Acc ..... 1.00.5 1.05.8 |
Fixed Int. Cap ..... 1.00.5 1.05.8 |
Fixed Int. Acc ..... 1.00.5 1.05.8 |
Prop Bldg Soc Acc ..... 1.00.5 1.05.8 |
Pen Unitlinked With Acc ..... 1.00.5 1.05.8 |
Pen All-Stocks Trustee ..... 1.00.5 1.05.8 |
Crusader Insurance Plc
Reigate, Surrey RH2 8BL 0737 242424
Life Funds
Balanced Performance ..... 1.11.7 1.18.2 +0.2
Performance Plus ..... 1.07.3 1.13.5 +0.2
With Profits Perform ..... 1.21.4 1.28.5 +0.2
UK Opportunity ..... 1.00.0 1.06.4 +0.2
European Opportunity ..... 1.00.0 1.06.4 +0.2
Pac American Opp ..... 1.10.2 1.16.6 +0.2
Far Eastern Opp ..... 1.31.1 1.38.7 +0.2
Overseas ..... 1.12.4 1.19.2 +0.2
Cash Prp Ser 1 (Acc 8) ..... 1.16.0 1.22.3 |
Earth Prp Ser 2 ..... 1.07.7 1.14.8 |
Fixed Interest ..... 1.13.9 1.20.4 +0.1
Pensions Funds
Cash ..... 1.08.6 1.11.2 |
Managed ..... 1.08.6 1.11.2 |
Equity ..... 1.08.6 1.11.2 |
Fixed Interest ..... 1.08.6 1.11.2 |
UK Equity ..... 1.08.6 1.11.2 |
Property ..... 1.08.6 1.11.2 |
Far Eastern ..... 1.08.6 1.11.2 |
Fixed ..... 1.08.6 1.11.2 |
Mixed ..... 1.08.6 1.11.2 |
North American ..... 1.08.6 1.11.2 |
Overseas Income ..... 1.08.6 1.11.2 |
Secure Income ..... 1.08.6 1.11.2 |
UK ..... 1.08.6 1.11.2 |
With Profit ..... 1.07.8 1.13.5 |
Managed Pens July 31 ..... 414.38 420.43† |
Dawnay Life
29 Glasshouse St., W1R 5RG 01-434 3511
Managed ..... 173.6 182.9 +0.1
World Growth ..... 1.48.0 151.7 +0.9
Commercial Cash Fd ..... 200.5 211.2 -0.9
Global Growth Fd ..... 1.31.0 1.38.0 |
Special Sits Fd ..... 1.29.0 1.36.0 |
UK Blue Chip Fd ..... 1.28.0 1.32.0 |
Far Eastern ..... 1.52.0 1.60.0 |
Fixed Interest ..... 1.34.5 1.41.7 +0.1
Index Linked Sits ..... 1.43.7 1.51.4 +0.1
Money ..... 1.19.3 1.25.7 +0.1
Pen Managed ..... 1.23.0 1.29.8 +0.1
Pen World Growth ..... 1.50.7 1.58.7 +0.1
Pen UK Equity ..... 1.30.0 1.36.5 +0.9
Pen UK Small Cos ..... 1.50.0 1.58.5 +0.9
Pen European ..... 1.33.7 1.40.9 +0.8
Pen Far Eastern ..... 1.97.5 2.08.5 +0.8
Pen Fixed Interest ..... 1.54.6 1.63.8 +0.5
Pen Index Linked Sits ..... 1.50.3 1.58.5 +0.5
Pen Money ..... 1.36.7 1.44.0 +0.1
City of Edinburgh Life Assurance
4b Charlotte Sq, Edinburgh EH2 4HQ 031-225 1455
Managed Inv Tst Fd ..... 63.0 67.01 |
Fixt & Reward Bond ..... 1.91.0 202.0 |
Guaranteed Cash Fd ..... 1.31.0 1.38.0 |
Global Growth Fd ..... 1.30.0 1.37.0 |
Special Sits Fd ..... 96.0 1.02.0 |
UK Blue Chip Fd ..... 1.28.0 1.32.0 |
Far Eastern ..... 1.52.0 1.60.0 |
Fixed Interest 1.34.5

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	Bid Price	Offer Price	+ or -	Yield Gross
Premium Life Assurance Co Ltd 37-39, Perrymount Road, Haywards Heath 0444 458721				
American	129.0	136.0	+1.0	–
Building Soc. Fd	174.0	184.0	.....	–
Balanced	294.0	310.0		–
European	193.0	204.0	-1.0	–
GT Managed	192.0	203.0	-1.0	–
Gartmore Mngd	128.0	135.0	-1.0	–
German	138.0	146.0		–
Gilt	182.0	192.0	-1.0	–
Global	50.0	53.0		–
High Inc	121.0	128.0		–
International Equity	206.0	217.0		–
Japan	266.0	280.0		–
Managed	64.0	68.0		–
Property	292.0	308.0		–
R W Imperial Gold	155.0	164.0		–
UK Equity	367.0	387.0		–
Pension Funds				
American	152.0	160.0		–
Building Soc Fd	177.0	187.0		–
Balanced	227.0	239.0		–
European	193.0	204.0		–
German	122.0	129.0		–
Gilt	159.0	168.0		–
International Equity	148.0	156.0		–
Japan	145.0	153.0		–
Managed	68.0	72.0		–
Property	224.0	236.0		–
UK Equity	337.0	355.0	-1.0	–
Professional Life Assurance Co Ltd Frobisher Hse, Nelson Gate, Southampton 0703 232323				
Pensions Managed Fund	97.48	103.06	-0.36	
Pensions Cash Fund	80.10	84.32	+0.09	
Prolific Life & Pensions Ltd Stramongate Kendall Cumbria LA9 4BE 0539 733733				
Managed Fund see Balanced Growth Managed Fund				
Life Funds				
Balanced Gwth Mngd	628.0	661.8	-0.5	–
Adventurous Mngd	136.5	143.9	-0.5	–
Secure Mngd	113.3	119.4	+0.1	–
Cash Fd	238.3	251.21		–
Property Fund	294.8	313.7		–
Equity Fund	713.9	752.3	-0.9	–
Fxd Int Fund	303.2	319.5	+0.1	–
International	326.8	347.7	-0.3	–
High Income	480.5	511.2	-0.8	–
Far East	444.4	472.8	+1.4	–
North American	301.1	317.3	-4.6	–
Special Sits	685.0	700.1	-2.3	–
Technology	262.6	279.4	-1.9	–
Extra Inc Fd	299.7	318.9	-0.08	–
Convertible & Gilt Fd	158.9	169.1	-1.9	–
American Income	139.1	146.6	-1.9	–
Gilt Fund 20	303.4	322.8	+0.7	–
European Fund	112.5	118.6		–
Pref & Fixed Int	100.3	106.8	+0.2	–
Pension Funds				
Balncd Gth Mgd Pens Acc	605.2	637.1	-0.6	–
Adventurous Mgd Pens Acc	132.3	139.3	-0.8	–
Secure Mngd Pens Acc	112.1	118.0	+0.1	–
Building Soc Acc	249.9	263.1		–
Property Pens Acc	302.2	318.2		–
Fi Int Pens Acc	423.3	445.6	+0.3	–
Equity Pens Acc	805.7	848.2	-1.3	–
International Pens Acc	303.3	319.3	-0.4	–
High Inc Pens Acc	523.1	550.7	+2.2	–
Tech Pens Acc	172.4	181.5	-1.5	–
N American Pens Acc	204.7	215.5	-3.6	–
Far Eastern Pens Acc	436.6	459.6	+1.4	–
Special Sits Pens Acc	546.8	575.6	-2.2	–
Extra Income Pens Fd	355.1	373.8	-0.9	–
Convertible & Gilt Pen	178.9	188.4	-0.2	–
American Inc Pens	151.9	159.9	-2.7	–
European Pens	119.5	125.8	-0.3	–
Managed Cash Pens	114.9	121.0		–
Pref & Fixed Pens	103.4	108.9	+0.3	–
Other Funds				
Acorn Managed Fund	179.7	189.2	-0.5	–
Portfolio 2000	167.6	176.5	-0.6	–
Burton Intnl Managed	113.8	119.8	-0.3	–
PBM Mar Gwth & Inc	114.6	120.7	-0.2	–
DWC Growth & Income	118.7	125.0		–
NCH Inc & Growth	98.0	103.2	-0.7	–
NCH Managed	105.1	110.7	-0.4	–
For Capital Unit and Other Prices ring 0539-733733				
Property Equity & Life Ass. Co Baxter Ave, Southend SS2 6QH 0702 333433				
Int Man Pension Fd	141.5	149.0	.....	–
Int Man Crncy Bd Fd		136.4	.....	–
Int Man Crncy Bd Fd(x)		125.1	.....	–
Flexible Prop Bd Fd		185.2	.....	–
Flexible Money Bd Fd		322.8	.....	–
Special Man Inc Fd		125.6	.....	–
Property Growth Assur Co Ltd Sun Alliance House, Horsham 0403 641411				
Property Fund		478.6		–
Property Fund (A)		455.4	+0.1	–
Agricultural Fund		575.5	+0.1	–
Agric. Fund (A)		593.0		–
Abbey Nat. Fund		338.5		–
Abbey Nat. Fd (A)		345.6	+0.1	–
Investment Fund		253.7	-0.8	–
Investment Fund (A)		245.4	-0.8	–
Equity Fund		939.0	-2.1	–
Equity Fund (A)		909.4	-1.9	–
Money Fund		327.6	+0.1	–
Money Fund (A)		316.7		–
Actuarial Fund		424.5	-1.1	–
Gilt-Edged Fund		267.3	-0.1	–
Gilt-Edged Fd (A)		267.3	-0.1	–
Retire Annuity		951.2		–
Immed Ann'ty		342.0		–
International Fd		493.5	-3.2	–
Bldg. Soc. Life Fd		162.3		–
Property Growth Pensions & Annuities Ltd				
All W'ther Ac. Uts	556.5	585.8		–
Inv Fd Uts		595.7		–
Pension Fd Uts		491.0	+0.1	–
Conv Pens Fd		573.5	+0.2	–
Cnv Pns Cap Ut		347.9	+0.1	–
Man Pens Fd		760.5	-2.3	–
Man Pens Cap Ut		479.8	-1.5	–
Prop Pens Fd		599.9	+0.1	–
Prop Pens Cap Uts		366.0		–
Bldg Soc Pen Ut		309.8	+0.2	–
Bldg Soc Cap Ut		322.8	+0.1	–
Gilts Pens Fd		291.5	-0.4	–
Gilts Pens Fd Cap		207.0	-0.3	–
Equity Pens Fd		668.4	-1.7	–
Equity Pens Fd Cap		475.2	-1.2	–
Intl Pens Fd		236.2	-1.5	–
Intl Pens Fd Cap		192.7	-1.3	–
Providence Capitol Life Assc. Co Ltd 30 Uxbridge Rd, London W12 8PG 01-749 9111				
UK Equity Acc	213.4	225.2	-1.0	–
UK Fixed Int Acc	146.4	154.5	+0.1	–
Intl Equities Acc	185.6	195.8	-0.3	–
UK Managed Acc	170.1	179.4	-0.3	–
Property Acc	244.0	257.4	+0.1	–
Money Acc	109.2	115.2	+0.1	–
Special Market Acc	165.5	174.6	-3.3	–
Japan Equity Acc	153.9	162.4	+0.6	–
North American Acc	112.3	118.5	-1.8	–
Pacific Acc	104.7	110.5	-0.6	–
Technology Acc	127.4	134.4	+0.6	–
Nat Resources Acc	73.4	77.5	-0.6	–
European Acc	107.8	113.8	-0.2	–
Residential Prop Acc	110.8	116.9		–
Swiss Equities Acc	38.8	41.0	+0.1	–
Hong Kong Acc	51.7	54.6	-0.4	–
UK High Inc Eq Acc	73.4	77.5	-0.4	–
Int Fixed Interest Acc	50.8	53.6	-0.2	–
Int Managed Acc	57.5	60.6		–
HIP Managed Acc	116.6	122.9	-0.2	–
Total Investment Bond				
UK Equity Initial		147.9	-0.6	–
UK Fixed Int Initial		101.6		–
Intl Equities Initial		127.8	-0.3	–
UK Managed Initial		118.0	-0.3	–
Property Initial		170.5		–
Money Initial		76.2	+0.1	–
Special Market Initial		131.0	-2.4	–
Japan Equity Initial		121.8	+0.5	–
North American Initial		88.9	-1.3	–
Pacific Initial		82.8	-0.5	–
Technology Initial		100.7	+0.5	–
Nat Resources Initial		58.2	-0.3	–
European Initial		98.5	-0.2	–
Residential Prop Init		107.8	+0.1	–
Swiss Equities Initial		37.8	+0.1	–
Hong Kong Initial		50.4	-0.3	–
UK High Inc Eq Init		71.4	-0.4	–
Int Fixed Interest Init		50.0	-0.2	–
Int Managed Init		56.8		–
HIP Managed Init		115.4	-0.2	–
Broker Funds				
High Performance	76.8	81.0	+0.1	–
Townmill Mngd Fd Acc	47.8	50.4	-0.2	–
YRA Executive Fd	91.5	96.5	-0.4	–
£ Global Growth Acc	130.8	137.9		–
£ High Income Money Acc	111.9	118.0		–
IM Balanced		58.5	-0.1	–
H F Speculator Fd		150.7	-1.2	–
PEP Acorn II		124.5	+0.5	–
PEP Cautionary		100.9	+0.3	–
AAFS Int Man Fund		123.2	+0.1	–
Individual Pension Funds				
UK Equity Acc	235.8	248.8	-1.3	–
UK Fixed Interest Acc	175.8	185.5	+0.1	–
Intl Equities Acc	250.8	264.6	-0.7	–
UK Managed Acc	184.2	194.3	-0.6	–
Property Acc	211.8	223.5	+0.1	–
Money Acc	128.0	135.1	+0.1	–
Special Market Acc	263.0	277.5	-4.3	–
Japan Equity Acc	256.1	270.2	+1.4	–
North American Acc	140.5	148.3	-2.8	–
Pacific Acc	203.9	215.1	-1.5	–
Technology Acc	171.6	181.1	+0.7	–
Natural Resources Acc	115.0	121.4	-1.0	–
European Acc	130.5	137.7	-0.1	–
Residential Prop Acc	117.0	123.5	-0.1	–
Swiss Equities Acc	38.9	41.1	+0.1	–
Hong Kong Acc	51.7	54.6	-0.4	–
UK High Inc Equ Acc	78.9	83.3	-0.5	–
Int Fixed Interest Acc	52.4	55.3	-0.3	–
Int Managed Acc	60.3	63.6	-0.1	–
Group Pension Funds				
Equity Acc	852.2	878.6	-0.2	–
Fixed Interest Acc	502.4	518.0		–
Managed Acc	136.5	139.2	+0.2	–
Provident Life Assoc Ltd Provident Way, Basingstoke RG21 2SZ 0256 470707				
Unit Fund (Mixed)	1081.0	1135.1	-0.2	–
Equity Fund	253.2	265.9	-0.2	–
International Fd	165.4	173.7	+0.6	–
Fixed Interest Fd	156.1	163.9	+0.2	–
Property Fund	219.4	230.4		–
Index-Linked Fund	144.7	151.9		–
Deposit Fund	139.6	146.6	+0.1	–
Pens Mixed (Ord) Fd	258.2	271.1		–
Gold Pensions				
Discretionary Fund		125.5	-0.2	–
Equity Fund		129.1	+0.1	–
Fixed Interest Fund		111.3	+0.5	–
International Fund		126.2		–
Property Fund		113.4		–
Index-Linked Fund		119.3		–
Deposit Fund		114.5	+0.1	–
S & F Consolidation		109.0	+0.1	–
S & F Balanced		127.4	+0.1	–
S & F Maximum Growth		136.7	+0.1	–
Provident Mutual Life Assc. Assn. Wilton Rd, Hitchin, Herts SG4 0LP 0438 739000				
Managed Ord	336.5	354.2	-0.7	–
Managed Init	268.3	282.4	-0.7	–
Equity Ord	476.5	501.6	-1.9	–
Equity Init	379.8	399.8	-1.7	–
Index Linked Gilt Ord	143.5	151.1		–
Index Linked Gilt Init	119.5	125.8		–
Overseas Equity Ord	309.2	325.5	-0.5	–
Overseas Equity Init	246.5	259.5	-0.4	–
Property Ord	210.9	222.0		–
Property Init	168.1	176.9		–
Fixed Interest Ord	180.8	190.3	-0.1	–
Fixed Interest Init	144.1	151.7	-0.2	–
Deposit Ord	147.0	154.7	+0.1	–
Deposit Init	117.2	123.4	+0.1	–
Pension Funds				
Managed Ord	417.6	439.6	-1	–
Managed Init	332.9	350.4	-0.9	–
Equity Ord	615.5	647.9	-2.8	–
Equity Init	490.6	516.4	-2.4	–
Pen Ind Lkd Gilt Ord	157.1	165.4		–
Pen Ind Lkd Gilt Init	130.8	137.7	-0.1	–
Overseas Equity Ord	359.5	378.4	-0.8	–
Overseas Equity Init	286.6	301.7	-0.6	–
Property Ord	257.2	270.7	+0.1	–
Property Init	205.0	215.8		–
Fixed Interest Ord	212.1	223.3	-0.1	–
Fixed Interest Init	169.0	177.9	-0.2	–
Deposit Ord	192.4	202.5	+0.2	–
Deposit Init	153.4	161.5	+0.1	–
Prudential Assurance Co Holborn Bars, London EC1N 2NH 01-405 9222				
Prufund				
Managed Sept 20	255.1	265.8	.....	–
Prudential Holborn Life Ltd 30 Old Burlington St, London W1X 1LB 01-439 3134				
Holborn Series I Life Funds				
Managed	563.7	593.4	-1.9	–
Equity	1152.7	1213.4	-3.7	–
Fixed Interest	387.9	408.4	-0.5	–
Property	404.2	425.5		–
Cash	266.1	280.2	+0.3	–
International	400.9	422.0	-2.5	–
Holborn Series II Life Funds				
Managed	552.6	581.7	-1.9	–
Equity	1126.7	1186.1	-3.6	–
International	393.1	413.8	-2.5	–
Fixed Intl	377.8	397.7	-0.5	–
Property	393.8	414.6		–
Cash	259.6	273.3	+0.2	–
Pacific Basin	217.5	229.0	-0.7	–
North American	167.2	176.1	-2.9	–
European	173.0	182.2		–
Holborn Balanced Gwth	119.6	125.9	-0.3	–
Holborn Strategic Gwth	118.8	125.1	-0.2	–

	Bid Price	Offer Price	+ or -	Yield Gross
Prudential Holborn Pensions Ltd 30 Old Burlington St, London W1X 1LB 01-439 3134				
Managed	595.2	626.6	-2.7	–
Equity	864.4	909.9	-4.9	–
Global Equity	257.8	271.4	-1.6	–
Fixed Interest	412.1	433.8	-1.3	–
Property	409.1	430.7		–
Cash	161.8	170.4	+0.3	–
Index Linked Gilt	203.5	214.3	-0.2	–
Guaranteed	12.93			–
International Money	206.3	217.2	-0.2	–
North American	80.9	85.2	-1.5	–
Japanese	151.2	159.2	+0.7	–
European	106.4	112.0	-0.2	–
Special Situations	122.9	129.4	-0.6	–
Communications	111.9	117.8	-0.5	–
Smaller Companies	116.1	122.3	+0.2	–
International Small Cos	144.9	152.6	-1.1	–
Prudential Pensions Limited Holborn Bars, London EC1N 2NH 01-548 3281				
Discretionary Sept 20	£167.40	172.80	.....	–
Equity Sept 20	£184.27	191.08	.....	–
International Sept 20	£28.58	29.22	.....	–
Intl Bond Sept 20	£12.69	12.84	.....	–
Fixed Int Sept 20	£73.99	74.80	.....	–
Index Linked Sept 20	£63.40	64.19	.....	–
Property Sept 20	£115.81	122.81	.....	–
Cash Sept 20	£21.6297	21.6297	.....	–
Pru-Linked Retirement Plan				
Managed Sept 19	408.9	426.0	.....	–
Cash Sept 19	203.0	211.5	.....	–
Prudential Pensions Investment Account				
Pens Mngd Sept 25	165.0	177.4	+0.2	–
Pens UK Eq Sept 25	319.2	344.2	+0.5	–
Pens Intl Sept 25	195.4	210.2	+0.3	–
Pens Fixed Sept 25	169.2	178.8	+0.4	–
Pens Index Lk Sept 25	161.3	170.3		–
Pens Cash Sept 25	132.5	139.6		–
Regency Life Assurance Co Ltd Regency Hse Lanark Sq, London E14 9RS 01-538 8800				
Aggressive Ptflio Fd	124.2	130.7	-0.3	–
Balanced Ptflio Fd	325.4	342.5	-0.7	–
Cautious Ptflio Fd	124.3	130.8		–
Elite Fund	116.8	122.9	-0.4	–
European Fund	95.1	100.1	+0.5	–
Far East Fund	109.3	115.0	+0.5	–
Fixed Interest Fund	243.6	256.4	+0.3	–
International Fund	288.3	303.4	-0.7	–
Money Fund	180.4	189.8	+0.2	–
N. American Fd	123.7	130.2	-1.6	–
Property Fund	417.1	439.0	-1.5	–
UK Equity Fd	400.7	421.7	-1.2	–
A I M Brewin Dolphin Fd	100.3	105.6	+0.3	–
Swiss Select Ins	116.9	123.1	+0.3	–
Chart Safety First Bd	109.3	115.0	-0.1	–
Exec Master Fd	103.5	108.9	+0.2	–
Hardwick Growth Fd	111.8	117.7	+0.1	–
Bentley Haig LR Port	104.2	114.9	-0.1	–
Millbourne Spec Port	122.7	129.2		–
Swim Global Fd	121.6	128.0	-0.2	–
Hardwick Tst Fd	72.9	76.7		–
All funds have equivalent pension fund. Series 2 prices above. Others available from Regency Life.				
Reliance Mutual Reliance House, Tunbridge Wells, Kent 0892 510033				
Deposit Acc Fd	126.8	133.4	+0.1	–
Equity Acc Fd	331.3	348.8	-1.6	–
Managed Acc Fd	294.5	310.0		–
Prop Fd (1st Issue)		594.4		–
Prop Acc Fd (2nd Iss)	176.9	186.2		–
Unit Trust Mn Fd	128.3	135.1		–
BL Pension Funds				
Deposit Acc	166.8	175.6		–
Equity Acc	251.9	265.2		–
Fixed Int Acc	162.4	170.9		–
Gilt Indx Lnk Acc	141.4	148.8		–
Managed Acc	294.6	310.2		–
Royal Heritage Life Assurance Ltd 20 Clifton St, EC2A 4HX 01-920 0202/0733 262524				
Multi Gwth		514.01		
Multi Gwth "A"	514.0	541.1		–
Op Prop	437.0	460.1		–
Op Equity	817.3	860.4	-0.2	–
Op High Yld	356.1	374.9		–
Op Man	622.1	654.9	-0.4	–
Op Dep	280.8	295.6	+0.2	13.51
Op Bnd	250.3	263.5	-0.9	–
Op Inc Dist	209.6	220.7	+0.1	6.86
Op Its Man	348.0	366.4	-1.4	–
Op US$	89.4	94.2	-1.8	10.57
Op Emerging Co's	311.4	327.8	+0.4	–
Pension Funds-Series B & C Acc.				
Property	752.6	792.3	+0.2	–
Equity	2019.4	2125.7	-1.9	–
Fixed Interest	652.2	686.6	+0.1	–
Managed	1059.3	1115.1	-1.3	–
Deposit	536.6	564.9	+0.6	13.80
Gartmore Global	198.2	208.7	-0.2	–
Gartmore NA	101.9	107.3	-0.2	–
Gartmore Pacific	244.1	257.0	-1.1	–
Henderson Acc	202.6	213.3	+0.4	–
Perpetual Mng	206.8	217.7	+0.4	–
Framlington Mng	193.7	203.9	+0.3	–
Gartmore Pen Mngd	199.1	209.6	-0.2	–
Gartmore Pen Euro	146.3	154.1	+0.5	–
Beckman Pension Fund	123.1	129.6		–
Suffolk Cap Pen Fd	122.0	128.4		–
IMC Pen 5B Ser B	95.0	100.0		–
Pension Funds-Series D				
Property	190.9	190.9		–
Equity	134.9	134.9	-0.1	–
Fixed Interest	159.9	159.9	+0.1	–
Managed	133.9	133.9	-0.2	–
Deposit	157.3	157.3	+0.2	–
Gartmore Global	124.3	124.3	-0.1	–
Gartmore NA	115.2	115.2	-0.2	–
Gartmore Pacific	127.9	127.9	-0.5	–
Henderson Acc	149.5	149.5	+0.3	–
Perpetual Mng	150.7	150.7	+0.3	–
Framlington Mng	154.4	154.4	+0.3	–
Gartmore Pen Mngd	163.3	163.3	-0.1	–
Gartmore Pen Euro	111.6	111.6	+0.3	–
Kaleidoscope CNS Pen	107.8	107.8		–
Arr Euro Pen	149.6	149.6		–
For Pensions Capital Units please ring ext 350/352				
Baring Funds				
Australia	99.6	104.9	-2.1	–
Eastern	224.9	236.8	-1.2	–
Equity Income	117.8	124.1	-0.3	–
European Smllr Cos	153.4	161.5	+0.1	–
Portfolio	121.2	127.6	-0.4	–
Japan Growth	166.2	175.0	+0.1	–
Japan Sunrise	163.3	171.9	+0.5	–
American Growth	106.8	112.5	-2.3	–
UK Smaller Cos	146.3	154.0	-0.3	–
Managed	142.4	149.9	-1.2	–
MIM Britannia				
American Growth	94.0	99.0	-1.1	–
European Smaller	135.2	142.4		–
International Leisure	118.1	124.4	-0.9	–
US Smlr Co's	139.1	146.5	-2.4	–
Commodity	89.4	94.2	-1.5	–
Extra Inc	158.9	167.3	-0.7	–
Far East	199.4	209.9	-3.1	–
Fin Secs	183.2	192.9	-0.9	–
Gold	40.5	42.7	-0.5	–
Inc Growth	268.4	282.6	-0.8	–
Intl Growth	168.4	177.3	-1.6	–
Intl Recovery	244.1	257.0		–
Japan Perf	304.7	320.8	+1.3	–
Japan Smlr Cos	230.5	242.7		–
Nat Higs	254.2	267.6	-1.5	–
Prop Shares	198.0	208.5	-1.1	–
Smaller Cos	267.7	281.8	-0.9	–
Univ Energy	75.8	79.8	-0.9	–
World Tech	141.1	148.6	-0.6	–
Man Growth	202.2	212.9	-1.0	–
Gilt	79.6	83.8	-0.1	–
Hong Kong	86.4	91.0	+0.6	–
European Perf	114.4	120.5	+1.4	–
Gartmore Funds				
American	165.0	173.7	-2.5	–
British	227.0	239.0	-0.7	–
European	181.0	190.6		–
Extra Inc	197.8	208.3	-0.3	–
Far East	269.8	284.0	-2.9	–
Frontier Markets	143.3	150.9	-0.6	–
Intl Fixed Interest	89.3	94.1	-0.4	–
Global Stratgy	314.4	331.0	-1.1	–
Gold Share	61.2	64.5	-0.7	–
Hedged American	148.0	155.8	+0.3	–
High Inc	276.2	290.8	-2.9	–
Hong Kong	112.8	118.8	-0.1	–
Income	361.3	380.4	-0.8	–
Intl Resources	159.1	167.5	-1.7	–
Japan	335.5	353.2	+0.9	–
UK Select Opps	247.2	260.3	-0.6	–
UK Smlr Cos	311.0	327.4	+0.2	–
Man Gth	341.6	359.6	-0.7	–
Gartmore Funds (formerly Oppenheimer)				
Global Inc & Gwth	127.1	133.8	-0.6	–
Worldwide Recovery	129.9	136.8	-2.3	–
US Select Opps	92.8	97.7	-0.1	–
Japan Select Opps	131.8	138.8	-0.2	–
European Select Opps	142.5	150.0	+0.6	–
Pacific Growth	136.8	144.0	-2.2	–
Intl Managed	100.5	105.8		–
Perpetual Funds				
International Growth	124.43	131.0	-1.0	–
Income	120.9	127.3	-0.5	–
Worldwide Recovery	131.0	137.9	-1.2	–
American Growth	105.0	110.6	-1.2	–
Intl Emerging Cos	115.1	121.2	-1.5	–
Far East Growth	167.3	176.2	-1.6	–
European	143.2	150.8		–
Managed	121.0	127.4	-1.0	–
TSB Funds				
European	147.4	155.2	+0.5	–
Extra Income	137.0	144.3	-0.2	–
General	122.0	128.5	-0.2	–
Gilt & Fixed Interest	94.6	99.6	-0.1	–
Income	129.6	136.5	-0.3	–
Pacific	171.9	181.0	-0.7	–
Selected Opportunities	140.8	148.3	-0.1	–
Managed	136.7	143.9	-0.6	–
Broker Managed				
City Capital Bond	151.7	159.7		–
Birchwood	158.2	166.6		–
Hardwick Inv Mngt	102.7	108.2		–
Sterling Cap Gwth	89.1	93.8		–
Connaught Swift Fund	46.1	48.6		–
Andrews Gross Inv Ptfl	110.6	116.5		–
Stoneleigh Inv Man Bd	164.7	173.4		–
Western Counties Mng	147.8	155.6		–
Fosters International	159.4	167.8		–
Richards, Longstaff	128.1	134.9		–
Heritage Mngd Bond	187.4	197.3		–
DDA Gilroy Mngd Eq Fd	127.4	134.2		–
Guy Brunker Fd	132.6	139.6		–
J J Barrington Int Fd	100.2	105.5		–
G & T Smaller Cos Fd	131.7	138.7		–
Buckingham Mngd Fd	121.2	127.6		–
J J Barrington Mngd	89.6	94.4		–
Charles Stanley	374.7	394.5		–
Ethical Inv	143.9	151.5		–
Investors Income Bd	96.9	102.0		–
Royal Life Insurance Ltd New Hall Place, Liverpool L69 3HS 051-239 3000				
Royal Shield Fd	669.6	708.5	.....	–
Royal Life (Unit Linked Assurance) Ltd				
Managed Fund	275.1	289.5	-0.6	–
Equity Fund	352.7	371.2	-0.8	–
Property Fund	217.3	228.6		–
International Fund	336.5	354.1	-1.1	–
Gilt Fund	217.6	228.9	+0.1	–
Money Fund	154.9	163.0	+0.1	–
United States Fund	151.5	159.4	-1.9	–
Pacific Basin	228.0	240.0	-0.2	–
Royal Life (Unit Lnkd Pension Fd) Ltd				
Exempt Man Fd Acc	319.3	336.1	-0.9	–
Exempt Equity Fd Acc	622.3	655.0	-1.9	–
Exempt Prop Fd Acc	239.2	251.7	-0.1	–
Exempt Intl Fd Acc	552.8	581.8	-2.7	–
Exempt Gilt Fd Acc	248.6	261.6		–
Exempt Money Fd Acc	189.2	199.1	+0.2	–
Royal Liver Assurance Royal Liver Building, Liverpool, L3 1HT 051 236 1451				
UK Equity	58.7	61.8		–
Global Equity	47.7	50.2		–
High Yield	54.2	57.0		–
Intl Equity	55.6	58.5		–
Fixed Interest	50.8	53.5		–
Money	55.0	57.9		–
Managed	56.3	59.3		–
Pensions				
UK Equity	60.2	63.4		–
Global Equity	45.8	48.2		–
High Yield	54.5	57.4		–
Intl Equity	56.8	59.8		–
Fixed Interest	54.8	57.7		–
Money	60.2	63.4		–
Managed	58.5	61.6		–
Save & Prosper Group (z) 28 Western Rd, Romford RM1 3LB 0708-766966				
Bal Inv Fd	562.1	594.9	-1.7	–
Deposit Fd	265.3	280.6		–
Gilt Fd	330.4	349.7	+0.2	–
Global Equity Fd	170.9	180.9	-0.5	–
Property Fd	90.3	95.6		–
EquityPens Fd	163.2	172.8	-0.8	–
Gilt Pens Fd	83.8	88.7	+0.2	–
High Int Pens Fd	84.1	89.1		–
Global Eq Pens Fd	146.8	155.4	-0.9	–
Man Pens Fd	138.2	146.3	-0.5	–
Prop Pens Fd	99.3	105.1		–
& C Bond Fd	116.7	123.5	+0.1	–
Fleming Inv Fd	75.0	79.4	-0.2	–
Fleming Pens Fd	80.8	85.6	-0.2	–
sWeekly dealings				
Scottish Amicable 150 St Vincent St, Glasgow 041-248 2323				
Equity	467.0	491.6	-1.9	–
Fixed Interest	228.0	240.1	+0.3	–
International	309.6	325.9	-1.5	–
Property	236.9	249.4		–
Cash	164.1	172.8		–
Index Linked Gilt	136.4	143.7	+0.1	–
Managed	351.5	370.1	-1.1	–
Exempt Eq Init	281.7	296.6	-1.2	–
Do. Accum	446.1	469.6	-1.8	–
Exempt Fxd Int Init	171.5	180.6	+0.1	–
Do. Accum	271.7	286.0	+0.3	–

	Bid Price	Offer Price	+ or -	Yield Gross
Scottish Amicable—Contd.				
Exempt Intnl Init	219.4	231.0	-1.5	–
Do Accum	347.5	365.8	-2.3	–
Exempt Prop Init	162.0	170.6	+0.1	–
Do Accum	256.5	270.1	+0.1	–
Exempt Cash Init	129.6	136.5		–
Do Accum	205.3	216.2	+0.1	–
Exempt Man Init	232.5	244.8	-0.8	–
Do Accum	368.1	387.5	-0.8	–
Building Society Fd	116.8	123.0		–
Scottish Equitable Life Assce. Soc. 28 St Andrew Sq, Edinburgh 031-556 9101				
Mixed	180.6	190.2	-0.6	–
UK Equity	165.5	174.3	-1.0	–
International	198.2	208.7	-0.3	–
American	149.9	156.8	-2.7	–
European	198.1	208.6	-1.0	–
Japan	248.0	261.1	+1.4	–
Pacific	238.6	251.4	+0.5	–
Technology	181.3	190.9	-1.4	–
Fixed Interest	122.2	128.7	+0.2	–
Indexed Linked	111.2	117.1	-0.2	–
Foreign Bond/Currency	148.1	156.0	-1.0	–
Cash	124.040	131.411	+0.032	–
Ethical				–
Pens Mixed	488.7	514.5	-0.7	–
Pens UK Equity	518.6	545.9	-2.7	–
Pens International	570.1	609.6	+0.4	–
Pens American	149.1	157.0	-3.4	–
Pens European	205.0	215.8	-0.4	–
Pens Japan	286.7	301.8	+2.6	–
Pens Pacific	231.5	243.7	-1.5	–
Pens Fixed Interest	208.2	219.2	+0.5	–
Pens Index Linked	133.9	141.0	+0.5	–
Pens Cash	180.625	190.130	+0.206	–
Pens Property	200.4			–
Pens Ethical	118.7	125.0	-0.2	–
Edinburgh Inv	236.8	249.3	-0.5	–
Baillie Gifford Japan	223.2	235.0	+1.2	–
Scottish Life Investments 19 St Andrew Square, Edinburgh 031-225 2211				
Property	184.8	194.6		–
UK Equity	246.0	259.1	-1.2	–
American	178.3	187.8	-3.9	–
Pacific	247.3	260.4	-0.6	–
European	286.9	302.1		–
International	209.5	220.6	-1.7	–
Fixed Interest	144.9	151.6	+0.1	–
Index Linked	144.9	152.6	+0.1	–
Deposit	135.4	142.7	+0.1	–
Managed	198.3	208.8	-1.1	–
Worldwide	103.1	108.6	-0.5	–
With Profits Pens	56.7	59.8		–
Pen Property	208.0	219.1	+0.1	–
Pens UK Equity	284.1	299.1	-1.8	–
Pens American	194.9	205.3	-3.0	–
Pens Pacific	280.7	295.6	-0.7	0
Pens European	334.9	352.7	+0.1	–
Pens International	239.6	252.3	-2.1	–
Pens Fixed Int	173.7	182.9	+0.2	–
Pens Index Linked	152.3	160.4	+0.1	–
Pens Deposit	164.8	173.6	+0.2	–
Pens Managed	229.1	241.2	-1.5	–
Pens Worldwide	104.6	110.2	-0.6	–
Scottish Mutual Assurance Society 209 St Vincent St, Glasgow 041-248 6321				
Flex End Sept 12	1253.6	1292.4	.....	–
Pen Mngd Aug 31	852.4	878.8	.....	–
Scottish Mutual Investments 109 St Vincent St, Glasgow 041-248 6321				
Safety Fund	156.8	165.1	-0.1	–
Growth Fund	175.4	184.7	-0.6	–
Opportunity Fund	178.5	187.9	-0.8	–
Worldwide Venture Fnd	136.5	143.7	-0.8	–
UK Equity Fund	193.9	204.2	-1.0	–
UK Smaller Cos Fund	224.7	236.6	-0.7	–
European Fund	245.2	258.2	+0.2	–
Far Eastern Fnd	163.1	171.7	-2.6	–
Japanese Fnd	133.3	140.4	+0.2	–
North American Fund	152.5	160.6	-2.9	–
International Fund	202.7	213.4	-1.1	–
Gilts & Fxd Int Fund	126.6	133.3		–
Index-Linked Fund	126.9	133.6	+0.1	–
Property Fund	131.6	138.6		–
Cash Fund	123.9	130.5	+0.1	–
Pens Safety Fnd	172.1	181.2	-0.2	–
Pens Growth Fnd	179.5	189.0	-0.6	–
Pens Opportunity Fnd	185.6	195.4	-0.7	–
Pens W'wide Venture Fnd	140.9	148.4	-0.8	–
Pens UK Equity Fnd	191.6	201.7	-1.0	–
Pens UK Smlr Co's Fnd	215.4	226.8	-0.7	–
Pens European Fnd	215.9	227.3	+0.2	–
Pens Far East Fnd	169.7	178.7	-2.6	–
Pens Japanese Fnd	135.5	142.7	+0.1	–
Pens Nth American Fnd	179.5	189.0	-3.3	–
Pens International Fnd	202.7	213.4	-1.1	–
Pens Gilts/Fxd Int Fnd	136.2	143.4		–
Pens Index-linked Fnd	128.4	135.2	+0.1	–
Pens Property Fnd	141.8	149.3	-0.1	–
Pens Cash Fnd	138.1	145.4	+0.2	–
Pens Halifax Fnd	143.2	150.8	+0.2	–
Scottish Provident Institution 6 St Andrews Sq, Edinburgh 031-556 9181				
Mixed	195.1	205.5	-0.7	–
Equity	201.5	212.2	-0.9	–
International	216.1	227.57	-1.9	–
Property	233.9	246.3		–
Fixed Interest	141.8	149.3		–
Index-Linked	127.5	134.3		–
Cash	135.9	143.1	+0.1	–
Pens Mixed Init	185.3	195.2	-0.6	–
Do Ord	222.8	234.6	-0.6	–
Pens Equity Init	194.6	204.9	-0.4	–
Do Ord	235.3	247.8	-0.6	–
Pens Intnl Init	200.6	211.2	-1.8	–
Do Ord	242.3	255.1	+2.1	–
Pens Property Init	230.6	242.8		–
Do Ord	276.9	291.6	+0.1	–
Pens Fixed Int Init	141.5	149.0	+0.1	–
Do Ord	170.9	180.0	+0.1	–
Pens Index-Lkd Init	112.2	118.2		–
Do Ord	135.4	142.7	+0.1	–
Pens Cash Init	138.7	146.1	+0.2	–
Do Ord	168.5	177.4	+0.2	–
Scottish Widows' Group PO Box 902, Edinburgh EH16 5BU 031-655 6000				
Inv Pol 1 Sept 22	683.6	683.6		–
Inv Pol 2 Sept 22	628.0	661.1		–
Inv Pol 3 Sept 22	607.1	639.2		–
Inv Pol Cash Sept 22	218.0	229.6		–
Mixed Fund	346.3	364.6	-0.4	–
Equity Fund	423.1	445.5	-1.7	–
Property Fund	228.3	240.4	+0.1	–
International Fund	343.5	361.7	+1.8	–
Fixed Int Fund	224.3	236.2	+0.3	–
Index Stk Fd	140.9	148.5	-0.1	–
Cash Fd	159.1	167.6	+0.2	–
Pens Mixed Fd Ord	439.8	463.0	-0.1	–
Pens Equity Fd Ord	537.5	565.9	-2.6	–
Pens Prop Fd Ord	282.1	297.0	+0.1	–
Pens Int Fd Ord	426.0	448.6	+1.8	–
Pens Fxd Int Fd Ord	301.6	317.5	+0.3	–
Pens Ind Stk Fd Ord	158.7	167.1	-0.1	–
Pens Cash Fd Ord	220.4	232.1	+0.3	–
PM Man	1898.3	1898.3	-4.5	–
PM St Ex	1942.4	1942.4	-5.1	–
PM Prop	277.3	277.3	+0.1	–
PM Pens Protection	115.3	115.3		–
PM Cash	245.8	245.8	+0.3	–
Ex Unit Acc	807.3	833.6		–
Shield Assurance Ltd 40 Uxbridge Rd, W5 2BS 01-567 0700				
Shield Life Mngd	122.8	129.5	-0.2	–
Shield Pensions Mngd	132.1	139.3	-0.1	–
Shield Secure	102.7	107.9		–
Shield Secure Pens	107.7	113.1		–
Shield Brasel	119.2	125.7	-0.3	–
Shield Brasel Pens	124.4	131.2	-0.3	–
Skandia Life Assurance Co Ltd (z) Frobisher Hse, Nelson Gte, Southampton 0703 334411				
Skandia Life Funds				
Managed Fd	280.9	295.6		–
Equity Fd	336.4	354.1		–
International Fd	272.2	286.5	+0.1	–
Index Lkd Gilt Fd	95.2	100.2		–
Gilt Plus Fd	206.3	217.1	+0.1	–
Property Fd	210.5	221.5	+0.1	–
Deposit Fd	189.5	199.4	+0.1	–
North American Fd	142.5	150.0	+0.1	–
North European Fd	253.0	266.3	+0.8	–
Int Recovery Fd	192.8	202.9		–
Pacific Fd	210.3	221.3	+0.1	–
Amer Index Monitor	114.0	120.0	+0.1	–
Euro Index Monitor	110.6	116.4	+0.3	–
Intl Index Monitor	105.6	111.1	-0.3	–
Japan Index Monitor	95.9	100.9	+0.2	–
UK Index Monitor	107.2	112.8	-0.1	–
Skandia Baring Funds				
Eastern	125.3	131.8	+1.7	–
Equity Income	103.2	108.6	+0.3	–
European Smllr Co's	121.3	127.6	+0.5	–
Global Growth	114.5	120.5	+0.7	–
Growth & Income	106.4	111.9	+0.4	–
Japan Growth	108.6	114.3	+0.5	–
Japan Sunrise	107.2	112.8	+0.5	–
European Growth	124.8	131.3	+1.1	–
American Growth	120.0	126.3	+0.1	–
UK Smaller Companies	104.2	109.6	+0.1	–
Managed	107.0	112.6	+0.3	–
Skandia Fidelity Funds				
American	126.5	133.1		–
American Equity Inc	112.1	118.0	-0.1	–
American Special Sits	113.6	119.5		–
Australia	86.5	91.0		–
Eastern Opps	124.2	130.7	+0.7	–
European	224.8	236.6	+0.8	–
European Income	121.3	127.6	+0.5	–
Famous Names	86.6	91.1	+0.3	–
Far East Income	130.3	137.1	+0.1	–
Gilt & Fxd Interest	104.4	109.8		–
Global Convertible	108.3	113.9	-0.2	–
Growth & Income	135.7	142.8	+0.7	–
Income Plus	148.2	156.0	+0.2	–
International Bond	116.5	122.6	-0.1	–
Japan	136.6	143.8	+0.1	–
Japan Special Sits	189.0	198.9	+0.2	–
Managed International	114.3	120.3	+0.1	–
Recovery	136.7	143.8	+0.3	–
South East Asia	176.7	186.0	+0.7	–
Special Sits	183.5	193.1	+0.1	–
Managed	146.6	154.3	+0.3	–
Skandia Framlington Funds				
American Smllr Co's	109.6	115.3	+0.1	–
American T'around	127.1	133.7		–
Capital	232.2	244.4		–
Convertible	183.9	193.5		–
European	161.2	169.6	+1.0	–
Extra Income	304.4	320.4	-0.5	–
Financial	110.5	116.3	+0.4	–
Income & Growth	252.8	266.1	+0.1	–
Intl Growth	113.9	119.8		–
Japan and General	227.2	239.1	+1.1	–
Recovery	216.3	227.6	+0.1	–
Smaller Companies	119.9	126.2	-0.1	–
Managed	177.2	186.5	+0.2	–
Skandia Gartmore Funds				
American	107.7	113.3	-0.2	–
American Sel Opps	96.8	101.8	-0.3	–
Hedged American	160.1	168.5	-0.1	–
Australian	74.3	78.2	-0.1	–
British Growth	196.5	206.8	+0.4	–
European	207.9	218.8	-0.8	–
European Sel Opps	124.5	131.0	-0.2	–
Extra Income	237.8	250.3	-0.1	–
Far Eastern	189.2	199.1	+0.1	–
Preference Share	154.2	162.3	-0.1	–
Frontier Markets	139.3	146.6	-1.2	–
Global	165.2	173.8	-0.1	–
Global Inc & Gwth	179.8	189.2	-0.1	–
Gold Share	79.8	83.9	+0.8	–
High Income	240.2	252.3	+0.4	–
Hong Kong	154.2	162.3	+1.9	–
Income	276.7	291.2	+0.5	–
Intl Fixed Interest	114.9	120.9	-0.2	–
Intl Resources	102.8	108.2	+0.1	–
Intl Sel Opps	100.7	106.0	+0.2	–
Japan	195.7	206.0	+0.6	–
Japan Sel Opps	137.2	144.4	+0.9	–
Pacific Growth	142.5	150.0	-1.6	–
Practical Inv	111.6	117.4	-0.1	–
UK Sel Opps	161.1	169.5	+0.1	–
UK Small Companies	229.7	241.7	-0.5	–
Worldwide Recovery	123.7	130.2		–
Managed	190.2	200.2	-0.2	–
Skandia Henderson Funds				
Special Situations	199.9	210.4	+0.1	–
Recovery	199.6	210.4	-0.3	–
Best of British	121.2	127.5	+0.1	–
Capital Growth	178.7	188.1	+0.4	–
Income and Assets	213.5	224.7	+0.6	–
Income and Growth	248.8	261.8	+0.1	–
High Income	256.8	270.3	-0.1	–
Extra Income	224.9	236.7	+0.3	–
Smaller Co Divide	233.9	246.2	-0.1	–
Preference and Gilt	154.5	162.6		–
Fixed Interest	142.1	149.5	+0.1	–
Financial	200.7	211.2	+0.4	–
Global Resources Tst	99.2	104.4	-0.9	–
Global Inc & Growth	151.8	159.7		–
International	164.2	172.8	+0.3	–
Australian	127.9	134.6	+0.6	–
European Income	120.0	126.3	+0.1	–
European	232.4	244.6	+0.2	–
European Sml Cos	208.2	219.1	-0.1	–
Hong Kong	128.8	135.5	+1.3	–
Japan Trust	233.2	245.4	+0.3	–
Japan Special Sits	213.1	224.3	+0.7	–
Pacific Smaller Co	221.6	233.2	-1.2	–
Singapore and Malays	105.0	110.5	-0.4	–
Spirit of the East	97.2	102.3	-0.3	–
North American	129.2	136.0	-0.1	–
American Smaller Co	107.9	113.5	+0.4	–
American Recovery	139.0	146.3	-0.5	–
Managed	188.8	198.7		–
Skandia Kleinwort Benson Funds				
European	119.4	125.6	-0.8	–
European Special	134.4	143.5	+0.4	–
Extra Income	104.3	109.7	+0.3	–
Fund of Inv Tsts	117.3	123.4	+0.1	–
General	116.9	123.0	+0.4	–
Gilt Yield	98.6	103.7	+0.3	–
Global Income	102.8	108.2	+0.5	–
High Yield	109.5	115.2	+0.3	–
Japan	129.6	136.4	+0.5	–
Japanese Special	115.0	121.0	+0.3	–
North American	124.3	130.8	-0.1	–
Pacific	116.7	122.8	+0.3	–
Smaller Companies	103.7	109.1	-0.1	–
Smaller Cos Dividend	96.6	101.6		–
UK Equity Growth	109.0	114.7	+0.3	–

	Bid Price	Offer Price	+ or -	Yield Gross
Skandia Life Assurance Co Ltd—Contd.				
Managed	114.4	120.4	+0.1	–
Skandia MIM Britannia Funds				
Growth Gilt	121.8	128.2		–
Intl Recovery	176.7	185.9	-0.3	–
Great British Co's	103.0	108.4	-0.3	–
Smaller Companies	178.5	187.8	-0.3	–
Special Features	86.4	90.9		–
UK Income	248.7	261.7	-0.7	–
Extra Income	208.1	219.0	+0.1	–
Income and Growth	235.0	247.3	+0.5	–
Gilt	124.1	130.6	+0.2	–
Pref Shares	169.8	178.7	-0.2	–
Commodity Shares	103.0	108.4	+0.1	–
Financial Securities	140.4	147.7	+0.3	–
Gold	64.5	67.8	+0.8	–
Intl Leisure Mark	190.9	200.9		–
Global Income	135.5	142.6	+0.3	–
Property Shares	187.7	197.5	-0.2	–
Universal Energy	99.0	104.2	-0.2	–
World Technology	92.9	97.7	-0.1	–
American Growth	148.2	156.0	-0.1	–
U.S. Income	114.3	120.3	-0.2	–
U.S. Small Co	104.6	110.1	+0.4	–
Australian Growth	71.0	74.7	+0.6	–
Europe Perf	121.7	128.1	+0.4	–
European Sml Cos	163.4	172.0	+0.3	–
Far East	190.0	200.0	-1.1	–
French Growth	105.3	110.8	+0.8	–
Hong Kong Perf	122.9	129.3	+1.5	–
International Growth	160.0	168.4	-0.2	–
Japan Performance	243.2	256.0	-0.4	–
Japan Small Co	218.9	230.4	+0.8	–
Singapore ASEAN	96.3	101.3	-0.6	–
SE Asia Growth	110.1	115.8	-0.3	–
UK Growth	154.6	162.7	-0.1	–
Managed	147.1	154.8	-0.1	–
Skandia Murray Johnstone Funds				
American Income	106.8	112.4	-0.1	–
Equity Income	101.5	106.8	-0.1	–
European	109.4	115.1	+0.2	–
Far Eastern	104.3	109.7	+0.2	–
Olympiad	106.0	111.5	-0.1	–
Smaller Companies	89.9	94.6	+0.1	–
Managed	103.8	109.2	+0.1	–
Skandia Perpetual Funds				
American Growth	123.4	129.8	+0.1	–
European Growth	137.8	145.0	+0.5	–
Far East Growth	165.0	173.6	+0.5	–
High Income	125.9	132.5	+0.4	–
Income	132.3	139.2	+0.1	–
Intl Emerging C'os	111.1	116.9	+0.5	–
Intl Growth	126.8	133.4	+0.2	–
UK Growth	93.8	98.7		–
Worldwide Recovery	125.3	131.8	+0.1	–
Managed	134.5	141.5	+0.3	–
Skandia Royal Trust Funds				
UK Special Sits	164.2	172.8	-0.8	–
Pacific Basin	171.1	180.1	-0.6	–
Fin & Prop Share	192.5	202.6	-0.4	–
International	133.8	140.8	-0.3	–
Fixed & Convertible	133.0	140.0	-0.9	–
Equity Income	243.5	256.3	-0.5	–
High Yield	234.5	246.8	-0.5	–
Preference Share	228.7	240.7		–
Smaller Companies	151.8	159.7	-0.5	–
Worldwide Alpha	120.4	126.7	-0.2	–
Prestige Europe P'folio	106.5	112.1	+0.7	–
Prestige Japan P'folio	94.2	99.1		–
Prestige UK P'folio	102.2	107.5	-0.6	–
Prestige US P'folio	99.8	105.0	-0.5	–
Managed	185.3	195.0	-0.2	–
Skandia TSB Funds				
TSB American	135.2	142.5		–
TSB British Growth	103.2	108.6		–
TSB Emerald Inv	97.6	102.7	-0.1	–
TSB European	137.3	144.5	+0.7	–
TSB Extra Income	225.9	237.7		–
TSB General	187.3	197.1	-0.3	–
TSB Premier Income	127.5	134.2		–
TSB Income	235.6	248.0	+0.1	–
TSB Nat Resources	135.9	143.0	-0.2	–
TSB Pacific	220.4	231.9	+0.2	–
TSB International	166.2	174.9		–
TSB Selected Opp	203.3	214.0	+0.1	–
TSB Smaller Cos	113.8	119.7	-0.1	–
TSB Managed	159.8	168.2		–
Skandia Wardley Funds				
British Winners	97.0	102.1	+0.1	–
European Growth	106.5	112.1	+0.5	–
Hong Kong	93.8	98.7	+1.0	–
Income	100.2	105.4	-0.1	–
Intl Income	104.2	109.6	+0.6	–
Japan Growth	97.0	102.1	-0.3	–
Japan Smllr Cos	111.4	117.2	+0.5	–
Pacific Performance	102.6	107.9	+0.3	–
Singapore & Malaysia	101.4	106.7	+0.1	–
Managed	98.8	103.9	+0.1	–
Skandia Pensions Managed Funds				
Managed	408.2	429.6	+0.2	–
Baring Managed	112.0	117.8	+0.4	–
Fidelity Managed	155.5	163.6	+0.3	–
Framlington Managed	262.2	276.0	+0.4	–
Gartmore Managed	266.0	279.9	-0.3	–
Henderson Managed	241.7	254.4		–
Kleinwort B'son Mngd	119.4	125.6	+0.1	–
MIM Britannia Managed	194.2	204.4		–
Murray Johnstone Mngd	106.6	112.2	+0.1	–
Perpetual Managed	150.1	157.9	+0.3	–
Royal Trust Managed	206.2	217.0	-0.3	–
TSB Managed	203.8	214.5		–
Wardley Managed	100.2	105.4		–
Guaranteed Fd 1993	69.3	72.9	+0.2	8.75
Guaranteed Fd 1994	63.4	66.7	+0.1	8.87
Amer Index Monitor	119.0	125.2	+0.1	–
Euro Index Monitor	114.7	120.7	+0.5	–
Intl Index Monitor	107.5	113.1	-0.3	–
Japan Index Monitor	95.7	100.7	-0.2	–
UK Index Monitor	109.1	114.8	+0.1	–
All funds have equivalent pension funds. Unit prices are available from Skandia Life				
Standard Life Assurance Company 3 George St, Edinburgh EH2 2XZ 031-225 2552				
Managed	488.1	513.8	-1.5	–
Equity	681.1	717.3	-2.1	–
Fixed Interest	253.7	267.1	+0.1	–
Index-Linked	146.9	154.7	-0.2	–
International	463.2	487.6	-2.1	–
North American	99.90	105.2	-2.3	–
Far East	141.2	148.7	+0.6	–
European	120.2	126.6	+0.3	–
Property	307.3	323.5	+0.5	–
Cash	191.1	201.2	+0.1	–
Pension Managed	644.7	678.7	-2.2	–
Pension Stock Exchange	143.8	151.4	-0.5	–
Pension Equity	924.2	972.9	-3.5	–
Pension Fxd Int	309.9	326.3		–
Pension Index-Linked	193.8	204.1	-0.3	–
Pension International	627.9	660.4	-3.1	–
Pension Property	387.4	407.8	+0.3	–
Pension Cash	267.3	281.4	+0.3	–
Pension Nth American	121.9	128.4	-2.9	–
Pension Far East	116.5	122.7	+0.5	–
Pension European	138.4	145.7	+0.5	–
Sun Alliance Insurance Group Sun Alliance House, Horsham 0403 64141				
Life Funds				
Managed Fund	480.5	505.8	-1.7	–
Equity Fund	652.9	687.3	-1.6	–
Fixed Interest Fund	290.3	305.6	-0.1	–
Index Linked Fund	218.0	229.5		–
Property Fund	429.0	451.6		–
International Fd	449.6	473.3	-3.1	–
North America Fund	143.4	151.0	-2.0	–
Far East Fund	213.6	224.9		–
Deposit Fund	210.3	221.4		–
Worldwide Bond	110.1	115.9	-1.3	–
Worldwide Financial	98.60	103.8	-0.2	–
Worldwide Technology	103.3	108.8	-0.4	–
European	118.1	124.4	+0.6	–
Equity Income	164.7	173.4	-0.5	–
Intl Bond		£59.06		–
Pension Funds				
Managed	350.8	369.3	-1.1	–
Equity	416.7	438.7	-1.1	–
Fixed Interest	290.3	305.6	-0.4	–
Index Linked	268.6	282.8	+0.1	–
Property	259.8	273.5	+0.1	–
International	413.3	435.1	-2.8	–
Deposit	215.9	227.3		–
Building Society	126.2	132.9		–
Worldwide Bond	124.0	130.5	-1.1	–
Equity Income	104.6	110.2	-0.3	–
Fram Intl Growth	100.9	106.3	-1.0	–
Fram American Smllr Cos	143.9	151.5	-1.7	–
Fram Capital Tst	222.6	234.4	-0.2	–
Fram Japan & General	107.1	112.8		–
Fram America Turnaround	165.8	174.6	-2.2	–
Fram Recovery Tst	137.7	145.0	-1.0	–
Fram Special Managed	111.7	117.6	-0.6	–
GT International	104.3	109.8	-1.0	–
GT US & General	106.7	112.4	-1.7	–
GT Amer Spec Sits	157.9	166.3	-0.4	–
GT Japan & General	145.0	152.7	-0.5	–
GT Far East & Gen	163.8	172.5	-0.3	–
GT UK Capital	123.9	130.5	-0.3	–
GT European	125.6	132.3	+0.5	–
GT Special Mngd			-0.6	–
Sun Life of Canada (UK) Ltd Basing View, Basingstoke, RG21 2DZ 0256 841414				
Maple Leaf Plans				
Growth Account		1112.9		–
Managed Account		586.7		–
Equity Account		829.9		–
Managed Fd Accum	276.9	281.5		–
Equity Fd Accum	372.6	392.2		–
Property Fd Accum	242.6	255.4		–
Fixed Int Fd Accum	192.3	202.4		–
Intnl Fd Accum	345.0	363.2		–
Money Fd Accum	156.5	164.7		–
Index-Ld Scs Fd Accum	152.4	160.4		–
Pension Plans				
Pers Pens Account		1202.1		–
Pens Mgd Acc-Fd Accum	559.3	588.8		–
Pens Equity Fd Acc	220.7	232.3		–
Pens Prpty Fd Acc	205.5	216.3		–
Pens Fixed Int Fd Acc	159.2	167.6		–
Pens Int Fd Acc	167.6	171.8		–
Pens Money Fd Acc	149.7	157.6		–
Pens Ind-Lkd Sec Acc	137.1	144.4		–
Pens Gtd Fd Acc	150.5	158.4		–
Uni Pens Mgd Acc Fd Acc	125.4	132.0		–
Uni Pens Equity Fd Acc	129.8	136.7		–
Uni Pens Property Fd Acc	145.9	153.6		–
Uni Pens Fixed Int Fd Acc	107.9	113.6		–
Uni Pens Int Fd Acc	130.0	136.9		–
Uni Pens Money Fd Acc	113.4	119.3		–
Uni Pens Ind-Lkd Sec Acc	130.3	137.2		–
Uni Pens Gtd Fd Acc	115.5	121.6		–
Sun Life Unit Assurance Ltd St James Barton, Bristol BS99 7SL 0272 426911				
Managed Acc	588.3	619.3	-0.4	–
Property Acc	351.6	370.2	+0.2	–
Equity Acc	884.5	931.1	-2.5	–
Fixed Interest Acc	245.0	257.9		–
Index-Linked Acc	136.1	143.3		–
Cash Acc	219.0	230.6	+0.2	–
American Equity Acc	249.3	262.5	+0.9	–
U S Bonds Acc	145.9	153.6	+1.7	–
Japan Acc	326.5	343.7	+0.8	–
Pacific Acc	183.6	193.3	+1.2	–
Far Eastern Acc	547.6	576.5	+3.1	–
International Acc	382.6	402.8	+1.2	–
U.S. Dollar Acc	96.1	101.2	-1.8	–
Yen Acc	127.1	133.8		–
European Currency Acc	121.1	127.6	+0.3	–
Distribution	242.6	255.4	-0.3	6.99
European	128.2	135.0	+0.7	–
Anniversary Bond		104.5	-0.3	–
Sun Life Pensions Management Ltd (Funds for individual pension contract)				
Pens Managed Acc	728.0	766.4	-0.4	–
Pens Property Acc	312.2	328.7	+0.1	–
Pens Equity Acc	1103.9	1162.1	-3.2	–
Pens F Interest Acc	275.8	290.4	+0.1	–
Pens Ind Lnkd Acc	150.5	158.5	+0.1	–
Pens Cash Acc	262.6	276.5	+0.3	–
Pens Amer Equity Acc	254.9	268.4	+1.0	–
Pens U S Bonds Acc	162.3	170.9	+2.2	–
Pens Japan Acc	364.6	383.8	+0.8	–
Pens Pacific Acc	218.0	229.5	+1.6	–
Pens Far Eastern Acc	880.0	926.4	+9.5	–
Pens Internat Acc	480.1	505.4	+1.7	–
Pens U.S. Dollar Acc	116.3	122.5	-2.3	–
Pens Yen Acc	164.9	173.6	-0.1	–
Pens Euro Curr Acc	130.7	137.6	+0.3	–
Pens Euro Acc	139.9	147.1	+0.8	–
Pens Bldg Soc	112.4	118.4	+0.1	–
Swiss Life Pensions Ltd 99-101 London Rd, Sevenoaks 0732 450161				
Equity	£284.29	298.17	.....	–
Fixed Int	£201.45	202.46	.....	–
Index Linked	£150.22	150.97	.....	–
Property	£349.89	330.30	.....	–
Cash	£189.84	189.84	.....	–
Mixed	£301.87	311.20	.....	–
International	£207.71	214.13	.....	–
Mixed Gtr Pen Pen	£95.60	100.63	.....	–
UK Equity Pers Pen	£94.82	99.80	.....	–
Fixed Int Pers Pen	£94.79	99.78	.....	–
Cash Pers Pen	£95.00	100.00	.....	–
Dep Admin Pers Pen	£96.15	101.21	.....	–
Next sub day September 27				
TSB Life Ltd Charlton Pl, Andover, Hants SP10 1RE 0264 56789				
Managed Fund	200.1	210.7	-0.1	–
Property Fund	165.5	174.3	+3.2	–
Fixed Int Fund	149.2	157.2		–
Money Fund	141.9	149.5		–
Equity Fund	265.5	279.6	-0.6	–
Homebuyer Fund	155.5	163.8	+0.1	–
Managed Inv Fund	119.0	125.4		–
TSB Pensions Ltd				
Managed Pension	688.3	724.6	-0.9	–
Deposit Pension	148.4	156.3	+0.1	–
Target Life Assurance Co Ltd Target House, Gatehouse Road, Aylesbury, Bucks Aylesbury (0296) 394000				
Managed	469.1	493.8	+0.9	–
Property	340.4	358.4		–
Fixed Int	226.6	238.6	-0.3	–
UK Equity	647.0	681.1	-0.5	–
Int Equity	314.2	330.8	-0.3	–
Deposit	182.9	192.6		–
Managed Property	344.0	362.2	-1.4	–
American Exple	124.5	131.1	-3.4	–
Worldwide Income	191.4	201.5	-2.9	–
Australian	30.4	32.0	-1.1	–
Japan & General	431.1	453.8	+1.6	–
Commodity	118.1	124.4	-2.1	–

	Bid Price	Offer Price	+ or -	Yield Gross
Target Life Assurance Co Ltd-Contd.				
Gold	81.3	85.6	-1.7	–
Financial	229.9	242.0	-1.5	–
Income	291.4	306.8	-1.6	–
UK Capital	204.3	215.1	-0.2	–
Convertible	113.4	119.4	-0.4	–
Preference	207.2	218.2	-0.6	–
International Bond	88.9	93.6		–
European Spec Sits	194.1	204.4	+0.9	–
Sterling		9.8		–
Residential Property	91.2	96.0		–
Pension Funds				
Managed Pension	1587.6	1671.1	-3.4	–
Gilt Pens	444.3	467.7	-0.5	–
Property Pens	988.4	1040.5	-3.8	–
Equity Pens	619.7	652.4	-1.1	–
Inter-L Plan	163.4	174.0		–
Guar Pen	345.5	363.7	+0.4	–
Leicester Retirement	215.0	226.4		–
Deposit Pension	112.1	118.0	+0.2	–
Alpha Funds				
UK Alpha		161.5		–
US Alpha		72.7		–
Gilt Alpha		54.1		–
Gold Alpha		63.5		–
Japan Alpha		57.4		–
US Dollar Alpha		60.8		–
Yen Alpha		51.8		–
D-Mark Alpha		55.2		–
European Alpha		60.1		–
Alpha Pension Funds				
UK Alpha		170.5		–
US Alpha		78.6		–
Gilt Alpha		54.8		–
Gold Alpha		63.5		–
Japan Alpha		59.7		–
US Dollar Alpha		62.0		–
Yen Alpha		52.1		–
DM Alpha		56.1		–
European Alpha		63.8		–
Prices quoted are for Accumulation units				
Teachers' Assurance Company Ltd 12 Christchurch Rd, B'mouth BH1 3LW 0202 291111				
Managed Fund	243.4	256.2		–
Gilt & Fixed Int Fd	153.5	161.6		–
Cash Fund	143.3	150.8		–
Pensions Managed	113.0	119.0		–
Pensions Cash	111.5	117.4		–
Tunbridge Wells Equitable Abbey Court, Tunbridge Wells 0892 515353				
Assurance				
Capital & Income	338.00	357.00		–
C&I Regular	63.70	67.10		–
C&I Exempt	71.10	74.80		–
Prize Plan Exempt		174.90		–
Do. Taxable		143.80		–
Beehive Bond Exempt		65.10		–
Do. Standard		58.60		–
Dominion Growth Exempt		100.90		–
Dominion Growth		72.60		–
Klenman Funds				
Life Assurance	650.10	670.20		–
Savings Narrow	290.80	299.80		–
Savings Wide	631.50	651.00		–
Pensions				
Managed Initial	94.40	99.40		–
Do. Ordinary	110.5	116.30		–
Deposit Initial	101.6	106.90		–
Do. Ordinary	118.7	124.9		–
UK Life Assurance Co Ltd Worthing Rd., Horsham, RH12 1SL 0403 40033				
Managed	114.9	120.9		–
Property	151.8	159.8		–
Equity	157.4	165.6		–
International	106.1	111.7		–
Fixed Interest	113.3	119.2		–
Deposit	115.2	121.3		–
Langham "A" Plan	120.8	127.1		–
Langham Prop Bond	666.3	701.3		–
Langham Wsp Managed	187.2	197.0		–
Pension Funds				
Managed Capital	99.8	105.1		–
Managed Accum	121.2	127.6		–
Property Capital	144.6	152.2		–
Equity Capital	139.1	146.5		–
Intl Capital	90.7	95.4		–
Fxd Int Capital	101.3	106.7		–
Deposit Capital	106.9	112.6		–
Langham Harvest	323.7	340.7		–
Wesleyan & General Assurance Soc Colmore Circus, Birmingham, B4 6AR 021-200 3003				
Managed Fd	221.6	232.8		–
Pens Managed Fd	132.1	138.8		–
Windsor Life Assur Co Ltd Windsor House, Telford, Shropshire 0952 292929				
Accum Pen Units	626.7	661.8		–
American	274.2	288.6		–
Deposit	196.1	206.7		–
Far East Fd	292.8	308.2		–
Gilt	243.6	256.4		–
Ground Rent & Gilt I	216.2	227.6		–
Grnd Rent & Gilt II Life	99.0	104.2		–
Grnd Rent & Gilt II Pen	101.6	106.9		–
High Inc Equity	323.3	340.3		–
High Inc Fixed Int	125.7	132.3		–
Index Fund	368.8	388.2		–
Index-Linked Gilt	146.0	153.6		–
Initial Pen Units	396.9	417.8		–
Investor Units	300.8	316.6		–
Khol Key (Managed)	620.4	653.1		–
N Amer Pacific	220.5	232.1		–
Open Plan Mngd Fd	282.5	297.4		–
Pacific	696.1	732.7		–
Property	462.3	486.6		–
Retail & Res'ty Life	148.4	156.2		–
Retail & Res'ty Pen Uts	162.7	171.2		–
Takeover Fund	489.0	514.7		–
UK Equity	311.2	327.6		–
Former Cood Life sub Prices Telephone 0952 290590				
Zurich Life Assurance Co Ltd 11 Guildhall Walk, Portsmouth PO1 2LR 0705 822200				
UK Managed	112.8	118.7		–
UK Investment	118.2	124.4	-0.5	–
International	123.9	130.4	+0.4	–
Series	117.4	123.6		–
UK Equity	95.8	100.8		–
UK Gilt & Fixed Int	97.4	102.6	-0.1	–
Security	100.7	106.0	+0.1	–

MANAGEMENT SERVICES

	Bid Price	Offer Price	+ or -	Yield Gross
David M. Aaron (Personal Fin. Plnrs.) Ltd The Old Town Hall, Teddington, Beds 0525 53282				
D. Aaron Mngd Pt MI	171.3	179.8	+0.2	–
D. Aaron Mngd Eq	203.8	214.6	+0.4	–
D. Aaron Mngd Targ Pens	108.7	114.5	+0.3	–
Opes Con Skan Bd(z)	118.5	124.7	+0.1	–
Opes Con Skan Pens(z)	136.7	143.8		–
The Analysis Group PLC 1 Park View, Harrogate, HG1 5LY 0423 523311				
Life Managed Funds				
APM Managed Gth(z)	184.2	193.8	+0.3	–
APM Intnl Inv (RH)	144.4	152.0	-7.8	–
APM High Yield	104.2	109.7	-0.3	–
APM B.I. & Growth	110.6	116.4	-2.4	–
APM Euro Fund	95.7	100.7		–
APM Univ Bd (S & P)	51.3	54.3		–
Pensions Managed Funds				
APM Exclusive Pen (ER)	159.8	168.3		–
APM Mngd Pen (Gth)	677.1	712.7	+1.6	–
APM Mngd Pen (Target)	86.8	91.4		–
APM Univ Pen (S & P)	62.3	66.0	-0.1	–
Blackstone Franks Plc 26-34 Old Street, London EC1 01-250 3300				
BF Worldwide S&F	£9.71	10.39		–
BF Priv Client Port	£1.643	1.730	+0.002	–
BF Priv Cl Pen Fd	£1.227	1.291	-0.01	–
Bryan Wallis & Partners Ltd Paxton Hse, 25 Haymarket, Ldn, SW1 01-930 8228				
Schroder Pen Fd	130.4	137.2	+0.4	–
Target Pen Fd	67.7	71.3	+0.2	–
Target Bond Fd	96.7	101.5	+0.3	–
Cameron Law & Company Ltd 148/149 Gt Charles St, Birmingham B3 021 200 3132				
Moneymaker Mngd	173.8	183.0	-0.3	–
Moneymaker Spec Sit	[illegible]	[illegible]		–
Griffin Fd	176.2	185.4	+0.2	–
High Yield Inv Fd	121.0	127.3	+0.3	–
Offshore Funds				
Managed Intl	119.6	128.7		–
James Campbell & Son Financial Services 38 Railway Rd, Coleraine Co. Londonderry 0265 44321				
Executive Pension	99.6	104.9	+0.3	–
Investment Portfolio	143.6	151.2	+0.1	–
Chase de Vere PLC 63 Lincoln's Inn Fields, London WC2A 3JX 01-404 5766				
Safeguard Fd	99.8	105.1	-0.1	–
United Kingdom Fd	122.9	129.4	-0.4	–
Worldwide Fd	116.7	122.8		–
Clifton Financial Mgmt Ltd 27 Berkeley Square, Bristol BS8 0272 225331				
Managed Gth Fd	123.5	130.0		–
Drummond Moores Plc 1 Maddox Street, London W1R 0DE 01-439 1061				
Prvr Man Fd (Targt) Pen	92.1	97.9		–
NBC Prv Fd Stnd Pens(z)	192.6	202.7	-0.3	–
Edinburgh Money Management Ltd 41a Charlotte Square, Edinburgh EH2 4HQ 031 220 1244				
Select Portfolio	64.2	67.6	+0.2	–
First Financial PLC 9 North Audley St, London, W1Y 1WF 01-493 7220				
Private Fund Accum (z)	144.5	152.2		–
Gartmore Fund Managers Ltd Safeguard, underwritten by General Portfolio Life Ass. Admin. 0992 31971, Enq. 01-623 1212				
Safeguard Fund	24.4	26.5	(z)	–
Hinton Hill (L & P) Ltd 1 The Crescent, Leatherhead, KT22 8DH 0372 377811				
HH Balanced Gwth	116.0	122.1	+0.1	–
HH Managed	92.6	97.5	+0.1	–
HH International	98.3	103.5	+0.3	–
HH Actively Managed	120.6	126.9	+0.4	–
Hurstminster Financial Services (CY) Ltd				
HFS Standing Mngd Fd	137.7	145.0	+0.1	–
HFS Scot Life Mngd Fd	139.1	146.5	+0.3	–
HFS Sun All Int Mngd	£1.27	1.35		–
HFS Sun All Int Mngd Sts	£1.15	1.20		–
HFS M & G Mngd Acc	95.5	100.4		–
HFS M & G Mngd Cap	62.0	65.2		–
HFS Generali Mngd Fd	135.6	142.8	+1.3	–
HFS Roy Int Mngd	108.5	116.7		–
Investment Portfolio Services Ltd 15 Manchester Sq., London W1M 5AE 01-486 0177				
IPS Investment Bond Managed Fd				
IPS Bond Fd	198.9	209.4		–
IPS Global Growth Fd	113.6	119.3		–
IPS Masterfund		128.37		–
IPS Masterfund II		112.9		–
Specialist Inv Acc Port	165.9	174.7		–
Johnson Fry Financial Services Ltd Dorland Hs 20 Regent St, Ldn SW1Y 4PZ 01-439 0924				
J Fry Man M&G Fd (z)	170.1	178.7	-1.0	–
J Fry Man Trgt PeFd (z)	98.0	103.2		–
J Fry Man Pru Holborn Fd	96.0	101.1	+0.1	–
J Fry Standard Promtd	96.9	101.9	+0.2	–
J Fry Secure		183.1	+0.1	–
J Fry Recovery	203.3	108.7	+1.0	–
Knight Williams & Company Ltd 161 New Bond Street, London W1Y 0LA 01-408 1138				
Principal Funds				
KW Albany	123.2	129.6		–
KW Albany (Intl)	112.3	118.2		–
KW Crown	119.3	125.5	-0.3	–
KW CM/Fidelity (z)	139.7	147.1	-0.3	–
KW GRE	117.7	123.9		–
KW Henderson 2	110.9	116.8	+0.1	–
KW Henderson 3	108.3	114.1	+0.1	–
KW M&G	136.5	143.5		–
KW M&G (cap)	88.6	93.2		–
KW Norwich Union	106.5	112.1	-0.5	–
KW Prolific (old)	119.9	126.3	-0.3	–
KW Prolific (new)*	115.4	121.5	-0.3	–
KW Prolific (cap)	110.0	115.8	-0.3	–
KW NM (Schroder)	131.5	138.4	+0.8	–
KW NM (Schroder) 3	120.6	126.9	+0.4	–
KW (Schroder) cap	122.8	129.2	+0.1	–
Cautious Funds				
KW Albany 2	115.5	121.5	-0.5	–
KW Crown 2	120.3	126.6	-0.2	–
KW CM/Fidelity 2	132.8	139.8		–
KW M&G 2	126.2	132.6		–
KW Norwich Union 2	128.3	135.1	-0.4	–
KW Prolific 2 (old)	123.5	130.1	-0.2	–
KW Prolific 2 (new)*	110.8	116.7	-0.1	–
KW NM (Schroder) 2	117.4	123.5	+0.6	–
Property Funds				
KW CM/Fidelity 3	110.7	116.6	+0.1	–
KW GRE 2	109.8	115.6		–
KW Henderson 1	73.3	77.3		–
*For investments made since 3/10/88				
Lamont & Partners Plc 42 Hertford Street, W1Y 7TF 01-629 4509				
Recommended P'folio		135.5	+0.7	–
Private Speculator		106.3	+0.4	–
Global Select P'folio		130.1		–
Private Portfolio (z)	118.2	124.4	+0.3	–
M & E Financial Management Plc Royal Hse, Sovereign St, Leeds 0532 435200				
M&E RH Man Fd	154.3	162.5	+0.1	–
M&E GRE Man Fd (z)	143.0	150.6	+0.1	–
M&E Eq Law Man Fd (z)	141.1	148.5	+0.2	–
M&E Crown Man Fd (z)	123.5	129.9	+0.1	–
M&E NM Managed Fd	105.1	110.6	+0.1	–
M&E NM Pension Fd (z)	144.4	152.0	+0.5	–
M&E Target Pen Fd (z)	82.4	86.8	+0.2	–
M&E Prov Cap Man Fd	99.8	105.2		–
Marsh Financial Management Ltd 4-14 Mount Sion, Tunbridge Wells 0892 515616				
Marsh (M&G) Fund	107.8	113.3		–
Marsh (M&G) Pens Fd	132.0	138.7		–
Marsh (Target) Fund	109.9	115.7	+0.1	–
Marsh (Target) Pens Fd	68.4	72.1		–
Marsh (Schroder) Fund	112.4	118.3		–
Moneyatlas Ltd 1/32, Old Compton St, London W1V 5PD 01-437 0298				
GRE Private Mngd	139.7	147.0	+0.4	–
Noble Lowndes & Partners Ltd PO Box 144, Croydon 01-686 2466				
Lowndes I (Clo Med) (z)	148.1	155.9	-0.5	–
Lowndes II (Clo Med) (z)	122.7	129.2	-0.6	–
Lowndes (Scot Eqt) (z)	134.2	141.3	-0.1	–

	Bid Price	Offer Price	+ or -	Yield Gross
O'Halloran & Co/Countrywide 7 Cavell Ct, North St, Peterborough PE1 1RA 0733 44830				
Managed Fd	119.9	126.3		–
PBR Fund Management Ltd 16 Northumberland Avenue, WC2N 5AP 01-839 6876				
Flexi-Bond	157.4	165.4		–
Flexi Pension Bond	147.6	155.0		–
Managed Bond		133.7	-0.1	–
Managed Pension		138.0		–
Roxborough Financial Management Ltd 123-125 Curtain Road, London EC2A 3BX 01-739 7117				
Managed Fd (MI)		107.0	-0.4	–
Pension Managed (MI)		99.6	-0.5	–
Discretionary Fd (MI)		145.5	-0.3	–
Discretionary Pens Fd (MI)		114.8	-0.2	–
Mendl-Trust Fd (SIO)	96.1	101.1	+0.1	–
Fortress Pens Fd	119.2	125.4	-0.2	–
Gaerprove Mngd (SM)	172.6	181.7	+0.2	–
Mutual Master (SM)	118.7	125.0	+0.2	–
Rutland Ins Bkg & Inv Grp ("RIBIG") 2 The Windmills, Turk St, Alton, GU34 1EF 0420 80266				
Actieus LAS Man Life	149.0	157.0		–
Do NEL Brit Marq Pen	127.6	127.6		–
Do NEL Brit Mtaly Inc	130.5	137.4		–
Do NM Man Life	145.1	152.7		–
Do NM Man Pens	173.5	182.6		–
Do Scot Eq Man Pens	126.0	132.6		–
Norwich Scot Mut Man	120.2	126.6	+0.4	–
Do Scot Mut Pens Man	116.2	122.4	+0.3	–
Do NM Man Life	124.1	130.6	+0.3	–
Do NM Man Pens	134.5	141.5	+0.4	–
Do Target Life	105.9	111.5	+0.3	–
Do Target Pens	60.4	63.6	+0.2	–
Do Scot Eqt Man	102.7	108.1	+0.1	–
Spectrum Safety	103.1	108.5		–
Do Balanced	111.8	117.6	+0.3	–
Do Adventurous	116.2	122.3	+0.2	–
Burlington Sc Eq Global	127.5	134.2	+0.1	–
Do Sc Eq Global Pens	141.7	149.2	+0.5	–
Sharp (Albert E.) & Co 12 Newhall Street, Birmingham B3 3ER 021-200 2244				
AES Pooled Pension	117.2	121.3		–
Man-Clerical Med	157.5	165.6		–
Pens Man-Schroder	700.7	737.5	-1.1	–
Siltala Fund Managers Limited Siltala House, The Causeway, Bishop's Stortford, Herts. 0279 757696				
Siltala Managed Funds				
Royal Heritage SOF	104.5	110.0		–
Royal Heritage CGF	142.9	150.3		–
Royal Heritage HIF	145.0	152.7		–
Royal Heritage RIF	99.9	105.2		–
Target SOF	107.4	113.1		–
Target CGF	123.4	129.9		–
Target HIF	102.5	107.9		–
Target RIF	102.1	107.5		–
South Yorks Investment Management Hooton Pagnell, Doncaster DN5 7DW 0977 640331				
Pens-Man-Schroder	127.6	134.3		–
Sth Yorks Intl	109.0	109.0		–
Sth Yorks Inc & Gth	154.4	162.6		–
Sth Yorks Share P'folio	108.8	114.6		–
Tattersall Investment Mngt. Ltd Waverley Ct, Whittil Rd, Lichfield, Staffs 0543 414848				
TIM Mngd Growth Fd	126.3	132.9	+0.1	–
Exempt Fd (Accum)	114.8	120.9	+0.3	–
Towry Law & Co 57 High St, Windsor, SL4 1LX 0753 868244				
Albany Life	119.5	125.7		–
Clerical & Medical (z)	129.0	135.8	-0.7	–
Guardian Royal Exch	110.8	116.7	-0.1	–
M & G Ass (Life)	132.3	139.0		–
M & G Ass (Pens)	154.8	162.7		–
N. M. Schroder	106.4	112.0	+0.2	–
N. M. Schroder Pens	112.9	118.8	+0.1	–
Norwich Union Asst Mgt	61.0	64.2	-0.3	–
Royal Life (Unit Linked)	119.0	125.2		–
Scot Equitable (Life)	167.0	175.8	-0.1	–
Scot Equitable (Pens)	127.1	133.8	-0.3	–
Scot Mutual (Life)	189.2	199.2	+0.6	–
Scot Mutual (Pens)	175.2	184.5	+0.6	–
Scot Mutual Venture Fd	124.4	131.0	+0.4	–
Prudential Holborn	128.5	135.3		–
University Medical General Ltd. 29 Gt George St, Bristol BS1 5QT 0272 276954				
TUM Fd No. 1 (Gtd)	117.4	123.5	+0.21	–
J. D. Ward Financial Services Ltd 9 Kingsway, London, WC2 B6XF 01-836 4321				
Target Mngd Bond	210.0	221.1	+0.4	–
Target Mngd Pension	132.0	139.0	+0.2	–
Albany Life Acc	187.4	197.2	-0.9	–
Albany Pens Acc	238.3	250.8	-1.7	–
Yorkshire & Lancashire Investment Mgt. Weston Twr, West Bar Green, Sheffield 0742 754888				
High Inc Bd (Pr Cap)		98.9		–
Growth & Income (R H)	167.5	176.4		–
Global (NM Schr)	172.9	182.0		–
Managed (Target)	98.4	103.6		–
Ultra (Royal H)	155.0	163.2		–
Pension Fund (Roy H)	126.4	133.1		–

OFFSHORE AND OVERSEAS

GUERNSEY (SIB RECOGNISED)

	Init Charge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
BBV-Hambros Asset Mngmt (Guernsey) Ltd PO Box 255, St Peter Port, Guernsey CI 0481 710651						
BBankers-Viscount Euro	3½	[illegible]	13.49	13.88		
Grofund Invest Managers (Guernsey) Ltd PO Box 255, St Peter Port, Guernsey CI 0481 710651						
Grofund International Ltd						
Intl Equity Mngd	5	£0.924	0.924	0.991		
Intl Equity Mngd	5	£0.923	0.923	0.991		
Cr Cash	5	£–		1.000		
£ Intl Equity Mngd	5	£1.731	1.731	1.000		
£ Intl Bonds	5	£–		1.000		
$ Intl Bonds	5	$–		1.000		
$ Intl Mngd	5	$–		1.000		
Guinness Flight Fd Mngrs (Guernsey) Ltd PO Box 250, St Peter Port, Guernsey 0481 712176						
Guinness Flight International Fund (Units)						
US Dollar Money		$–		31.655	+0.01	8.01
Sterling Money		£–		17.785	[illegible]	[illegible]
Yen Money		Y–		6417.785	[illegible]	[illegible]
Deutschmark Money		DM–		62.771	[illegible]	[illegible]
Swiss Franc Money		SFr–		47.616	[illegible]	[illegible]
Global Strategy Fund (Units)						
All offer prices quoted inclusive of 4% initial charge except GFIF Money Funds. Conns £25 each and bid to offer less 4%.						
Hambros Fd Mgrs (CI) Ltd PO Box 86, Guernsey 0481 26521						
Henderson Administration (Guernsey) PO Box 255, Guernsey 0481 710651						
Gilt Fund	5½	£9.45	9.45	10.01		
Leopold Joseph Fund Mngmt (Guernsey) Ltd PO Box 244, St Peter Port, Guernsey 0481 712771						
L J Internat Fd	1	£–	28.47	29.55		
L J & S Currency Fund						
Sterling		£–	19.673	19.674		
US Dollar		$–	34.511	34.512		
Deutschmark		DM–	65.551	65.552		
French Franc		FFr–	171.92	171.93		
Swiss Franc		SFr–	53.966	53.967		
Japanese Yen		Y–	5131.90	5132.00		
Kleinwort Benson Intl Fd Mngrs Ltd PO Box 44, Guernsey, CI 0481 27111						
KB Far East (Grey)*	3	£22.07	22.07	23.51		1.12
KB Gilt*	2½	£13.36	13.36	13.75	+0.01	10.60
Intl Equity Inc*	3	[illegible]	202.5	217.6		4.11
KB Int $ Bd Fd Inc*		$5.595	5.595	5.888		7.71
*Offer price inclusive of maximum preliminary charge						
Lazard Fund Mngrs (Channel Islands) Ltd PO Box 275, St. Peter Port, Guernsey, C.I. 0481 710461						
Global Active	½	£11.70	11.70	11.94		1.1
UK Active	½	£11.19	11.19	11.45		3.75
UK Liquid Assets	½	£10.00	10.00	10.05		13.25
UK Index	½	£11.20	11.20	11.68		3.4
US Index	½	£12.90	12.90	13.38		2.75
Japan Index	½	£10.46	10.46	10.79		
Europe Index	½	£11.91	11.91	12.37		2.2
Lloyds Intl Money Market Fund Ltd Sarnia Hse, Le Truchot, St. Peter Port, Gsy 0481 24983						
Lloyds Bank Fund Managers (Guernsey) Ltd						
Australian Dollar		A$–		51.314		14.67
Deutschmarks		DM–		58.723		5.95
ECU's		Ecu–		23.428		8.22
French Francs		FFr–		119.688		7.75
Japanese Yen		Y–		2720.60		4.55
New Zealand Dollar		NZ$–		56.293		11.90
Sterling Class		£–		17.637		12.97
Swiss Francs		SFr–		57.640		6.41
US Dollar Class		$–		30.708		8.12
Managed Sterling		£–		11.705		
Managed US$		$–		19.484		
Dealing every Wednesday.						
Prolific International Mngmt Ltd PO Box 208, St Peter Port, Guernsey 0481 723959						
Global Growth	5	£12.83	12.83	13.50	+0.11	0.74
UK Growth	5	£10.62	10.62	11.17	-0.04	0.45
UK Conv & Bond	5	£10.15	10.15	10.68		6.09
UK Equity Income	5	£10.93	10.93	11.50	-0.01	5.22
Rothschild Asset Management (CI) Ltd PO Box 242, St Peter Port, Guernsey 0481 713713						
OC America Fd	6	$5.108	5.108	5.548		0.16
OC Hongkng Fd	6	[illegible]	98.71	107.79	+1.85	0.79
OC Smllr UK Co	6	[illegible]	431.5	471.4	-0.6	1.40
OC Major UK Cos Fd	6	74.09	74.09	79.49	-0.28	3.17

Rothschild OCIRL, OCCFL, Hambros EMMA, Guinness Flight Global Strategy Fund and similar series of funds: prices [illegible].

IoM (SIB RECOGNISED)

	Init Charge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
Allied Dunbar International Fund Mgrs. Allied Dunbar House, Douglas, IoM 0624 29411						
For conversion Prices of Shares Phone 0624 25860						
Asset Global Funds Ltd Abacus Hse, Mona St, Douglas, IoM 0624 20097						
French Equity	5	[illegible]	165.6	168.7		
UK Gilt	5	[illegible]	11.19	11.19		
UK Equity	5	[illegible]	15.86	16.93		
US Bond	5	[illegible]	10.73	11.41		
Barclays Intl Funds 1 Thomas St, Douglas, IoM 0624 23252						
CMI Fund Managers (IoM) Clerical Medical Hse, Douglas, IoM 0624 25999						
High Income	5	£1.89	48.89	51.34	+0.01	
Gartmore Fund Managers (IoM) PO Box 32, Douglas, IoM 0624 27610						
Refuge Overseas 4th Floor, Victory Hse, Douglas IoM 0624 77500						
Sun Life Management (IoM) Ltd PO Box 178, Douglas, IoM 0624 22444						

LUXEMBOURG (SIB RECOGNISED)

DWS Appointed Representative for IIM (a member of Lautro) 6 Bishopsgate, London, EC2P 2AT 01-626 5100

Eagle Star Intl-Global Assets Fund PO Box 101, Douglas, IoM 0624 661100

Fleming Group 24-28 Rue Jean, L-Arsenale 1-1148 Luxembourg 010 352 475771 or 01-638 5858

Fleming Flexible Fund — FFF American*, FFF Continental Europe*, FFF Eastern Opps, FFF European*, FFF Global Conv*, FFF Intl Bond*, FFF Intl Equity*, FFF Japanese*, FFF Pacific*, FFF UK*, FFF US Discovery*

		Bid Price	Offer Price
FFF American*	$–	12.79	13.60
FFF Continental Europe*	$–	12.97	13.81
FFF Eastern Opps	$–	9.94	10.58
FFF European*	$–	11.91	12.68
FFF Global Conv*	$–	10.77	11.48
FFF Intl Bond*	$–	9.80	10.43
FFF Intl Equity*	$–	29.80	31.70
FFF Japanese*	$–	17.08	18.17
FFF Pacific*	$–	10.28	10.94
FFF UK*	£–	1.23	1.32
FFF US Discovery*	$–	12.45	13.39

* Daily Dealing

Foreign & Colonial Management Ltd 1 Laurence Pountney Hill, London EC4R 0BA 01-623 4680

Ivory & Sime (Luxembourg) SA 18 Blvd Royal, L-2449 Luxembourg 010 352 4703031

Royal Trust Asselmix Fund 41 Avenue de la Gare L-1611, Luxembourg 352 483 061

Schroder International Selection Fund 14 Rue Aldringen L-1118 Lux 010 352 4799 2456

Touche Remnant (Guernsey) Limited Bermuda Hse, St Peter Port, Guernsey 0481 26268

SWITZERLAND (SIB RECOGNISED)

B.I.A. Bond Investments AG 10 Baarerstrasse CH6301 Zug, Switzerland 217180

		Bid Price	Offer Price
Barer Sf, Series A	SFr–	9770.0	10400.0
Barer Sf, Series B	SFr–	977.0	1040.0

GUERNSEY (**)

	Bid Price	Offer Price	+ or -	Yield Gross
Adams & Neville Fund Mngt (Guernsey) Ltd				
Worldinvest Bond Fund Acc	£2.00	2.08		–
Worldinvest Bond Fund Inc	£1.40	1.46		–
Worldinvest Cap Fd Acc	£1.60	1.71		–
Worldinvest Emer Cos	£0.96	0.99		–

	Bid Price	Offer Price	+ or -	Yield Gross
AEtna Intl Assurance (Bermuda) Ltd Exchange rate at Valuation Day US$1.5730				
Commodity ($)	$8.140	8.570		–
Dollar Deposit ($)	$2.295	2.420		–
Eurogrowth ($)	$1.040	1.095		–
European Equity ($)	$1.310	1.380		–
Global Managed ($)	$1.020	1.075		–
Gold ($)	$0.505	0.535		–
Goldmine ($)	$11.775	12.395		–
Interest "I" Equity ($)	$7.875	8.290		–
Inter Fixed Int'st ($)	$8.495	8.945		–
International Mngd ($)	$2.040	2.150		–
N. American Equity ($)	$1.500	1.580		–
Pacific Enterprise ($)	$4.235	4.460		–
Pacific Equity ($)	170.8	179.8		–
Star 2 (£)	161.4	169.9		–
Star 3 (£)	186.5	196.4		–
Star 4 (£)	242.0	254.8		–
Sterling Deposit (£)	424.5	446.9		–
Sterling Fixed Int (£)	542.2	570.8		–
UK Equity (£)	421.1	443.3		–
UK Managed (£)	217.0	228.5		–
UK Property (£)				–
World Growth ($)	$1.580	1.665		–
Bamford Brandt Guernsey Mngt. Ltd				
Tech and Comm	£11.95	12.58		–
Pacific Basin Fd	$109.10	114.75		–
Western European	$21.74	21.79		–
The Bangkok Fund Merrill Lynch Intl Capital Mngmt (Gsy) Ltd Sept 20 Nav US$59.34 Baht Cl.,543.45 (for info only)				
Baring Int Fund Managers Guernsey Ltd				
Mngd Portfolio (Dlr)	$10.46	11.17		–
Mngd Portfolio (Stlg)	£5.17	5.49		–
World Index				
Japan	Y1282	1350	+2	–
USA	$10.61	11.15	+0.03	–
UK	£6.39	6.72	+0.02	–
Japan $ Hedged	$10.80	11.37	+0.02	–
Japan SWF Hedged	Y1305	1360	+2.00	–
USA Yen Hedged	£6.63	6.97	+0.01	–
USA SWF Hedged	$11.06	11.63	+0.03	–
UK Yen Hedged	Y1315	1383	+4	–
Baring Currency Fund Ltd				
US Dollar		$13.32		–
Sterling		£15.20		–
Deutschemark		DM35.22		–
Japanese Yen		Y3595		–
Managed		$33.51		–
Cigna International Fund Mngrs (CI) Ltd				
Sterling Multi-yield Fund	£0.955	1.006	+0.001	13.00
Maximum Yield	£0.951	1.002	+0.002	9.75
Market Yield	£0.951	1.002	+0.002	7.50
Sterling Inc & Gwth		1.008		6.50
Intl Mngd Currency		1.000		6.00
Dantrust Management (Guernsey) Ltd				
Dancrest Limited	DK125.50	125.70		–
Dunsell Asset Management (Guernsey) Ltd				
Managed Currency Fd	£1.0724	1.0724		–
Five Arrows Intl Bond Fund Rothschild Asset Management (CI)				
NAV per share		$11.15	+0.08	–
Framlington Overseas Fund Mngt Ltd				
Far East Fund (Wed)	£1.6064	1.7273	-0.0156	–
Income & Growth (Thur)	£0.8674	0.9228	-0.0151	1.92
Managed Portfolio	£0.8375	0.8816	-0.0013	–
Assicurazioni GENERALI SpA				
Sterling Managed Fd	£247.42	260.44		–
Dollar Managed Fd	$153.95	162.05		–
John Govett Mngmt International Ltd				
Govett Int'l Mngd	£1.016	1.098	-0.007	–
Govett High Inc Gilt	£0.3795	0.3977	+0.0004	13.08
Govett Far East Inv	£0.998	1.067	+0.009	–
Energy & Resources	£0.723	0.773	+0.005	–
Hambros Fd Mgrs (CI) Ltd				
EQUUS Special sits	£3.354	3.531	-0.007	1.13
European Growth	£11.93	12.56	+0.09	–
American Growth	$7.49	7.89		1.72
UK Growth Fd	£89.8	95.6		0.73
Intl Equity	$50.28	52.93		–
Amer Spec Sits	$1.34	1.42		–
Henderson Admin. (Guernsey)				
Prime Res. Props	£1.354	1.436		–
Balanced Gwth $ Prtflo	$1.986	2.127		–
Balanced Gwth £ Prtflo	£1.397	1.499		–
Select Mkts $ Prtflo	$2.014	2.145		–
Inc & Gwth $ Prtflo	$1.751	1.863		–
High Income £ Prtflo	£0.651	0.666		–
Hill Samuel Fd. Mngrs. (Guernsey) Ltd				
Guernsey Tst	75.64	80.89	-0.42	1.56
The India Fund Merrill Lynch Intl Capital Mngmt (Gsy) Ltd Sept 21 NAV 207.86p (Rs55.08X for information only)				
Kleinwort Benson Intl Fd Mngrs Ltd				
Guernsey Acc	413.6	444.1		1.55
Guernsey Inc	247.2	265.3		–
KB Int Ac Bd Acc	£9.048	9.520		–
KB Japan Fund		$255.38		–
KB Sterling Asset	£26.09	26.09		–
Fleetwork U.S. Growth		$15.31		–
Signet Fd Bermuda		$16.31		1.03
*Offer price inclusive of maximum preliminary charge				
Kleinwort Benson Currency Fund Ltd				
DM Currency Fd		DM11.2366	+0.0058	–
Sterling Currency Fd		£6.9726	+0.0074	–
Sw. Francs		SFr9.9163		–
US$ Currency Fd		$12.7637	+0.0104	–
Yen Currency Fd		Y1118.6482	-0.3712	–
Kleinwort Benson Islamic Fd Mgmt Ltd				
Islamic Fund	$6.15	6.65		0.42
Lazard Fund Managers (CI) Ltd				
London Interstate Fund Managers Ltd				
Ldn Intstate Inv Cl	DK126.3	129.7		–
Ldn Intstate Inv Cl	DK118.6	121.7		–
M & G Island Fund				
Island	730.8	777.5	(z)	2.34
(Accum Units)	1395.6	1484.7	(z)	2.34
NM Financial Mgmt Intl Ltd				
Mngd Currency	£6.611	6.982	-0.065	4.06
Nikko Capital Mngt (Europe) Ltd				
Japan Index Fund	Y3,962	4,002		–
New Generation Fd. S.	$10.009	10.109		–
Japan Index Alpha	Y11,098	12,181		–
Jap Sector Rotation	Y10,254	10,409		–
Touche Remnant (Guernsey) Limited TR Portfolio Selection Fund Limited				
Pacific Basin Managed Fd	£1.155	1.224	+0.004	–
Japan Fund	£1.00	1.06		–
Smaller Pacific Mkts Fd	£1.00	1.06		–
Sterling Deposit Fd	£6.878	6.889	+0.007	–
Tyndall International (Guernsey) Ltd				
Capital Defender	$1.41	1.49	+0.01	–
HI Yield Bond	£69.7	73.2		13.66
Internat. Spec. Sits	53.5	56.3	+0.2	–
Mannuscript Fd	£88.7	93.2	+0.1	–
U.S. Treasury Securities Fund Ltd				
Short Term Shares	$673.05			–
Fixed Income Shares	$794.00			–
Wellington Fd Mngrs (Guernsey) Ltd				
Intnl Growth Fd	£12.51	13.13		–
Yamaichi Capital Mngmt (Guernsey) Ltd				
Japan Meta Growth	$13.68		+0.23	–
Yamaichi ISS Fund	$10.52		+0.23	–
Yamaichi CB Plus Fund	$9.69		+0.15	–
Thai Inv Fund	$11.75			–

JERSEY (**)

	Bid Price	Offer Price	+ or -	Yield Gross
Allied Irish Fund Managers (CI) Ltd				
Sterling Currency Fd		£13.4812		–
Managed Currency Fd		£29.9809		–
Do Sterling Equivalent		£19.0948		–
Ecu		Ecu12.1469		–
Irish Gilt Fd		I£186.1483		–
Intl Managed Dollar		$22.2496		–
Intl Managed Bond		I£20.8683		–
Barclays Intl Funds Currency Funds				
Sterling		£16.35	+0.01	12.2
US Dollar		$27.59	+0.1	7.70
Deutschemark		DM47.44		5.70
Yen		Y3,562	+1	3.70
Managed Multicurrency	£12.34	12.78		–
Managed Multicurrency	$22.47	23.27		–
Bond Funds				
UK Gilt	£0.410	0.427		11.5
US Government Income	$97.16	100.62	-0.3	8.4
International	£55.58	56.20		9.7
International	$89.83	90.48		9.7
Equity Funds				
North Am Eqty (Inc)	£16.86	18.04	-0.35	0.6
North Am Eqty (Inc)	$27.26	29.05	+0.1	0.6
European Equity (Inc)	£0.810	0.866	+0.001	0.6
European Equity (Inc)	$1.30	1.40	+0.03	0.6
Brown Shipley Fund Mgmt (CI) Ltd				
Sterling Bd(b) (Daily)	£9.74	10.02		9.93
Sterling Cap (Daily)	£28.91	28.99	+0.03	–
Intl Bond (Daily)	$14.16	15.03	+0.08	8.58
Int Currency (Wed)	£1.37	1.45		7.58
Cater Allen Investment Management (CI)				
CA Gilt Income	£7.81	8.17		14.68
CA Gilts & Futures	1078.00	1133.00		7.06
CA Equity Growth	£14.52	15.67		2.95
Citibank (CI) Ltd "Citifunds" Liquidity Funds				
Deutschemark Sept 25		DM25.417		–
Yen Sept 25		Y2594.595		–
Sterling Sept 25		£9.218		–
Swiss Franc Sept 25		SFr22.874		–
US dollar Sept 25		$15.680		–
Managed Sept 21		$15.464		–
Short Term Investment Funds				
Irish £ Sept 21		I£0.741		–
US $ Sept 25		$13.010		–
Equity Funds				
Global Equity Sept 25		$15.479		–
UK Equity Sept 25	£9.818	9.818		–
Japan Equity Sept 21		$12.196		–
European Equity Sept 25		$13.485		–
HK Equity Sept 18		$8.555		–
US Em Hith Sept 25		$11.282		–
US Spec Sits Sept 25		$13.576		–
US Em Tech Sept 25		$10.121		–
Citicorp Sept 25		$17.236		–
Bond Funds				
Global Bond Sept 25		$12.902		–
GNMA Bond Sept 25	$11.470	11.482		–
HYB (A) Sept 25		$91891.753		–
EBC Trust Company (Jersey) Ltd EBC Amro Traded Currency Fund Ltd*				
Income	$13.60	14.028	+0.082	4.98
Capital	$19.40	20.002	+0.213	–
*Offer price includes 3% prelim. charge				
EBC Amro Currency Income Fund*				
Income	£10.23	10.7520	-0.021	4.64
*Offer price includes 5% prelim. charge				
International Income Fund				
US$ Dep Short A	$1.1496		+0.0051	0.24
Do. Dist	$0.7469		+0.0033	0.25
Mod. Dur. Sh't term B	$1.3854		+0.0003	–
Do. Dist	$0.9874		+0.0031	0.86
Eurobd Long Term*	$28.99	30.5048		5.58
*Offer Price Includes 5½% Initial Charge				
Equitilink International Mngt Ltd First Aust Prime Inc Inv Co Ltd NAV Sept 23 C$12.36; First Aust Prime Inc Inv Co Ltd NAV Sept 23 US$10.46; NAV Diluted to reflect exercise of all Wrrts C$12.08, US$10.23				

	Init Charge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
Rothschild Asset Management—Contd.						
OCCFL Pfd		[illegible]	2047.68		+0.72	12.98
OCCFL SKr		[illegible]	104.07		+0.01	10.30
OCCFL SwFr		[illegible]	30.742			7.78
OCCFL U.S.$		[illegible]	15.915			4.44
OCCFL Yen		[illegible]	3554.41			
OCCFL Man £	3	[illegible]	10.704	11.036		11.61
Daily Dealings						
Royal Bank of Canada Funds RBC Offshore Fund Managers Ltd PO Box 246, St Peter Port, Guernsey 0481 23021						
Intl Capital Fd	5	[illegible]	51.72	56.10		(z)
Far East & Pacific Fd	5	[illegible]	38.72	42.18		(z)
North America Fd	5	$14.87	14.87	16.01		(z)
Canadian Fd	5	[illegible]	14.17	15.26		(z)
Intl Bond Fd	5	$11.69	11.69	12.56		(z) 2.51
European Fund	5	$11.61	11.61	12.58		(z)
British Fund	5	[illegible]	5.58	6.06		(z)
RBC Intl Currencies Fd Ltd						
US$		$–	32.74			
Canadian $		C$–	43.25			
£ Sterling		£–	18.75			
D-Mark		DM–	64.16			
Swiss Francs		SFr–	48.34			
Japanese Yen		Y–	7.858			
Managed Fund		$–	38.90			
Latest RBC Fund Prices 24hr service 0481 710598						

JERSEY (SIB RECOGNISED)

	Init Charge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
Capital House Fund Mgrs (CI) Ltd (0985)H PO Box 189, Capital Hse, Bath St, St. Helier, Jersey 0534 75634 (Helpline); Tel: 0534 74689 (Dealing) Telex: 4192136; Facsimile: 0534 79040						
Capital House International Growth Funds Ltd						
Equities						
UK Equity	5	£1.237	1.249	1.324		
North American	5	£1.664	1.705	1.810		
Japanese	5	£1.708	1.720	1.829		
Pacific Basin	5	£2.470	2.506	2.660		
Continental European	5	£2.313	2.324	2.467		
Gold	5	£1.406	1.433	1.521		
Sterling Bond	5	£1.318	1.318	1.389		
International Bond	5	£1.649	1.649	1.740		
Currencies						
£ Sterling	0	£21.21	21.21		+0.02	13.22
US$	0	$17.45	17.45		+0.01	8.07
Japanese Yen	0	Y3373	3373			5.15
D Marks	0	DM33.82	33.82		+0.02	6.15
Swiss Francs	0	SFr47.10	47.10		+0.05	6.62
Fr Francs	0	FFr205.1	205.1		+0.1	8.13
Ecu's	0	Ecu24.52	24.52		+0.01	8.44
Managed						
Intl Portfolio	5	£1.645	1.673	1.776		
Managed Currency	5	£1.717	1.717	1.807		
John Govett (Channel Islands) Ltd PO Box 443, St Helier, Jersey 0534 75141						
Govett Flexifund Ltd						
Global Equity	5½	$10.40	10.40	10.49	+0.11	1.0
Global Bond	5	$9.78	9.78	9.82		8.5
Global Currency	5	[illegible]	9.42	9.44	+0.01	10.0
Global Balanced	5½	$10.14	10.14	10.20	+0.01	3.0
Dollar Cash	5	$9.52	9.52	10.06	+0.51	10.0
European Bond	5	[illegible]	13.93	14.73	+0.03	7.5
Dollar Bond	5	$10.01	10.01	10.05		8.5
Government Bond	5	$10.22	10.22	10.26	+0.01	8.25
Sterling Cash	5	£4.84	4.84	4.85		13.0
Japanese Equity	5½	Y1487	1487	1500		0.0
Far East Equity	5½	$10.49	10.49	10.59	+0.04	1.0
US Equity	5½	$11.74	11.74	11.85		1.0
European Equity	5½	[illegible]	16.24	16.38	+0.22	1.0
UK High Income	5½	£4.75	4.75	4.77		12.0
UK Equity General	5½	£5.01	5.01	5.06	+0.01	3.0
Initial charge may alter for sales in other jurisdictions						
Lloyds Bank (CI) U/T Mgrs. PO Box 195, St Helier, Jersey 0534 27561						
Lloyds Tst. Gilt	2½	[illegible]	9.972	10.24		10.94
Dealing daily						
MIM Britannia International (Jersey) Ltd PO Box 271, St Helier, Jersey 0534 73114						
Jersey Gilt (z)	5	[illegible]	0.1773	0.1869		10.76
Royal Trust Jsy Fd Mngt Ltd (1400)F PO Box 428, St Helier, Jersey 0534 76077						
Govt Secs Fd		[illegible]	60.59	63.30	-0.02	11.92
TSB Trust Funds (CI) PO Box 538, St Helier, Jersey 0534 73494						
TSB Offshore Investment Fund Ltd						
Blue Chip & Gilt Edged	5	£1.26	51.26	54.73	-0.07	6.12
Mngd Currency Share	5	[illegible]	105.57	110.85	+0.15	7.44
TSB Gilt Fund Ltd						
Quarterly Share	3	£96.86	96.86	99.96	-0.04	11.00
Monthly Share	3	£94.78	94.78	97.82	-0.03	11.25

هكذا صنة الأصل

FT UNIT TRUST INFORMATION SERVICE

	Bid Price	Offer Price	+ or −	Yield Gross
Ermitage Group				
Managed Fund		$31.43		
£ Sterling Equivalent		£19.86		
Bermuda Fd		$11.30		
Cash Fund		$20.37		
F S Pyramid	$12.63	12.75		
GAM Ermitage Ltd		$58.47		
Ermitage Dollar Fd		$15.50		
Ermitage Jersey Fd		£9.99		
Fidelity International (CI) Ltd				
Sterling American (z)	170.70	181.90	+0.70	
$-Bond Fund (z)	$8.91	9.34		7.6
Gilt Fund (z)	25.20	26.38	+0.01	11.10
Jersey Unit Trust (UK tax residents only)				
American Inc Tst (z)	113.10	119.70	−2.30	4.30
[illegible]				

(Remaining unit trust, Isle of Man, Luxembourg, Other Offshore Funds and Offshore Insurances listings: [illegible])

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1989 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
99¹¹⁄₁₆	98¼	Exch 11pc 1989	99¹³⁄₁₆xd			
99¹⁵⁄₁₆	95⅝	Treas 5pc 1986-89	99¾xd			
99⅝	98⅝	Exch 10¼pcCv '89	99⅝	+¹⁄₁₆	10.31	10.39
101⅛	99¼	Treas 13pc 1990‡‡	99⅞		13.02	12.92
132¾	124	Treas 2pc IL '90(84.6)	132⅜		2.09	9.98
99⅞	98⅞	Exch 11pc 1990‡‡	99¼		11.08	12.77
101⅞	99⅞	Exch. 12½pc 1990	99¹³⁄₁₆	+⅛	12.54	13.27
95¾	91⅞	Treas. 3pc 1990	95⅝		3.14	10.65
97⅞	95⅝	Treas 8¼pc 1987-90‡‡	97¼	−⅛	8.49	12.42
98⅛	95⅝	Treas. 8pc Cv 1990 ‡‡	96⅞	−⅛	8.27	12.29
98¾	96⅜	Treas. 10pcCv 1990	97¹³⁄₁₆	−⅛	10.26	12.61
93⅞	87⅛	Exch 2½pc 1990	92⅞		2.70	9.24
101⅞	98⅞	Treas 11¾pc 1991	99⅞	−⅛	11.84	12.29
93⅞	89⅝	Funding 5¾pc '87-91‡‡	93⅛xd		6.17	10.72
90⅞	86⅞	Treas. 3pc 1991	90⅛		3.33	9.65
100⅛	95⅝	Treas 10pc Cv '91 ‡‡	96⅞	−⅛	10.33	12.00
101⅞	97⅞	Exch. 11pc 1991	98⅛	−⅛	11.16	11.82
94⅞	91⅛	Treas. 8pc 1991	92⅞		8.61	11.74
106⅛	102⅞	Treas 12¾pc 1992‡‡	102⅞	−⅛	12.41	11.31
99⅞	95⅝	Treas 10pc 1992	97⅞		10.30	11.39
94⅞	91	Treas. 8pc 1992‡‡	92⅞xd		8.64	11.41
100¾	96⅞	Treas 10½pc Cv 1992‡‡	98⅞	−⅛	10.69	11.30
85⅞	82⅞	Treas. 3pc 1992	84⅞		3.54	9.51
105⅞	101⅞	Exch. 12¼pc '92	102⅞	−⅛	11.97	11.25
109⅞	104⅞	Exch 13½pc 1992	105⅞	−⅛	12.76	11.15
94⅞	90⅞	Treas 8¼pc 1993	92⅞		8.93	10.98
100⅞	95⅝	Treas 10pc 1993‡‡	97⅛xd		10.26	10.88
108⅞	103⅞	Treas 12½pc 1993‡‡	104⅞	−⅛	11.93	10.90
88⅛	84⅛	Funding 6pc 1993‡‡	86⅞	−⅛	6.91	10.09
113⅞	108⅛	Treas 13¾pc 1993‡‡	109⅞	−⅛	12.56	10.81
94⅞	89⅞	Treas. 8½pc 1994	91⅞	−⅛	9.24	10.84
117⅞	112⅛	Treas 14½pc 1994‡‡	113⅞	−⅛	12.79	10.64
113⅞	107⅞	Exch 13½pc 1994	109¹³⁄₁₆	−⅛	12.33	10.82
100¾	95⅞	Treas. 10pc Ln. 1994‡‡	97⅞		10.25	10.66
110¼	104⅞	Exch. 12½pc 1994	106¼	−⅛	11.77	10.81

Five to Fifteen Years

1989 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
96⅝	91⅞	Treas 9pc 1994‡‡	93⅞	−⅛	9.60	10.59
108⅞	102⅞	Treas 12pc 1995	104⅞	−⅛	11.46	10.78
79⅞	74⅞	Exch 3pc Gas 90-95	75⅞xd		3.97	8.59
101⅞	95⅞	Exch. 10¼pc 1995	98⅞	−⅛	10.44	10.66
113⅞	107⅞	Treas 12¾pc 1995‡‡	109⅞	−⅛	11.65	10.59
119⅞	112⅞	Treas. 14pc '96	114⅞	−⅛	12.22	10.74
97⅞	91⅞	Treas. 9pc 1992-96‡‡	93⅞		9.60	10.35
126⅞	119⅞	Treas 15¼pc 1996‡‡	121⅞	−⅛	12.55	10.61
117⅞	110	Exch 13¼pc 1996‡‡	112⅞		11.79	10.58
101⅞	94⅞	Conversion 10pc 1996	97⅞		10.26	10.50
118⅞	110⅞	Treas 13¼pc 1997‡‡	113⅞	−⅛	11.68	10.55
104⅞	97⅞	Exch 10½pc 1997	100	+⅛	10.50	10.48
95⅞	88⅞	Treas 8¾pc 1997‡‡	91⅞		9.53	10.28
128⅞	120⅞	Exch 15pc 1997	123xd		12.18	10.66
100⅞	93⅞	Exch. 9¾pc 1998	96⅞		10.10	10.37
84⅞	78⅞	Treas 6¾pc 1995-98‡‡	81⅞xd	+⅛	8.27	9.98
134⅞	125⅞	Treas. 15½pc '98‡‡	128⅞xd		12.05	10.50
113⅞	105⅞	Exch. 12pc 1998	108⅞		11.03	10.46
100⅞	93⅞	Treas 9½pc 1999‡‡	96⅞		9.86	10.09
115⅞	107⅞	Exch. 12¼pc 1999	110⅞		11.06	10.43
105⅞	97⅞	Treas. 10½pc 1999	100⅞		10.40	10.32
104⅞	96⅞	Conversion 10¼pc 1999	99⅞	+⅛	10.29	10.30
94⅞	86⅞	Treas. 8½pc Ln 2000‡‡	90⅞	+⅛	9.42	10.02
97⅞	90	Conversion 9pc 2000‡‡	93⅞	+⅛	9.64	10.04
122⅞	113⅞	Treas. 13pc 2000	116⅞	+⅛	11.16	10.41
103⅞	95⅞	Treas. 10pc 2001	99⅞	+⅛	10.09	10.12
124⅞	115⅞	Treas. 14pc '98-01	118⅞	+⅛	11.79	10.61
102⅞	94⅞	Conversion 9¾pc 2001	97⅞	+⅛	9.98	10.08
113⅞	105⅞	Exch. 12pc '99-02	108⅞	+⅛	11.03	10.47
104⅞	96⅞	Conversion 10pc 2002	99⅞xd	+⅛	10.01	10.01
102⅞	94⅞	Treas 9¾pc 2002	98⅞	+⅛	9.92	9.97
97⅞	89⅞	Exch. 9pc 2002	93⅞	+⅛	9.64	9.89
126⅞	117⅞	Treas. 13¾pc 2000-03	121⅞	+⅛	11.36	10.44
105⅞	97⅞	Treas 10pc 2003	101⅞	+⅛	9.89	9.85
113⅞	104⅞	Treas. 11½pc 2001-04	108⅞	+⅛	10.64	10.28
106⅞	97⅞	Treas. 10pc 2004	101⅞	+⅛	9.86	9.80
59⅞	55⅞	Funding 3½pc '99-04	57⅞		6.11	8.68

BRITISH FUNDS—Contd

Over Fifteen Years

1989 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
102⅞	94¼	Conversion 9½pc 2004	98⅞xd	+⅛	9.68	9.73
103⅞	94⅞	Conversion 9½pc 2005	98⅞xd	+⅛	9.65	9.70
111⅞	102⅞	Exch. 10½pc 2005	106⅞	+⅛	9.86	9.69
125⅞	115⅞	Treas. 12½pc 2003-05	119⅞	+⅛	10.46	9.90
90⅞	82⅞	Treas 8pc 2002-06‡‡	86⅞xd	+⅛	9.25	9.63
105⅞	97⅞	Conversion 9¾pc 2006	100⅞	+⅛	9.67	9.64
118⅞	109⅞	Treas. 11¾pc 2003-07	113⅞	+⅛	10.36	9.90
96⅞	87⅞	Treas 8½pc 2007 ‡‡	91⅞	+⅛	9.29	9.49
134⅞	123⅞	Treas. 13½pc '04-08	128	+⅛	10.54	9.82
101⅞	92⅞	Treas. 9pc 2008 ‡‡	96⅞xd	+⅛	9.35	9.44
92⅞	84⅞	Treas 8pc 2009	87⅞	+⅛	9.14	9.39
102⅞	93⅞	Conv 9pc Ln 2011 ‡‡	96⅞	+⅛	9.28	9.32
68⅞	62⅞	Treas. 5½pc 2008-12‡‡	65⅞		8.45	9.17
89⅞	82⅞	Treas. 7¾pc 2012-15‡‡	84⅞		9.11	9.28
132⅞	121¼	Exch. 12pc '13-'17	125¼	+⅛	9.57	9.33

Undated

1989 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
45⅝	41½	Consols 4pc	42⅞	+⅛	9.43	–
40⅞	36⅝	War Loan 3½pc‡‡	37⅞	+⅛	9.27	–
70⅞	60⅞	Conv. 3½pc '61 Aft.	64⅞xd		5.41	–
41⅛	31⅞	Treas. 3pc '66 Aft.	34⅞xd	+⅛	8.81	–
30⅛	26	Consols 2½pc	26⅞	+⅛	9.30	–
29½	25¼	Treas. 2½pc	25⅞xd	+⅛	9.39	–

Index-Linked

1989 High	Low	Stock (b)	Price £	+ or −	(1)	(2)
112¼	103⅞	Tr. 2pc '92‡‡(97.8)	111⅛		2.18	3.29
105⅞	94⅞	Do. 2 '94 (102.9)	104	−⅛	2.59	3.18
155⅞	139⅞	Do. 2pc '96(67.9)	153¼		2.82	3.23
130⅞	118⅞	Do 2½pc '01(78.3)	128⅞		3.30	3.57
127⅞	115⅞	Do. 2½pc '03(78.8)	125⅞	+⅛	3.38	3.62
131⅞	117⅞	Do. 2pc '06(69.5)	129⅞	+⅛	3.42	3.62
123⅞	110⅞	Do. 2½pc '09(78.8)	120⅞	+⅛	3.44	3.62
128	114⅞	Do. 2½pc '11(74.6)	125⅞	+⅛	3.43	3.60
106⅞	95⅞	Do. 2½pc '13(89.2)	104⅞	+⅛	3.42	3.57
115⅞	101⅞	Do. 2½pc '16(81.6)	113⅞	+⅛	3.39	3.54
112⅞	100⅞	Do. 2½pc '20(83.0)	110⅞xd	+⅛	3.35	3.48
95⅞	84⅞	Do. 2½pc '24‡‡(97.7)	93⅞	+⅛	3.32	3.44

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base month for indexing, (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in January 1987. Conversion factor 3.945. RPI for January 1989: 111.0 and for August 1989: 115.8.

INT. BANK AND O'SEAS

1989 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
108⅞	99½	African Dv Bk 11¼Ln2010	103⅞	+⅛	10.78	10.72
104⅞	96¼	Asian Dev Bk 10¼pcLn2009	99⅞	+⅛	10.30	10.31
130⅞	119⅞	Australia 13½pc 2010	123⅞xd	+⅛	10.94	10.67
113⅞	102⅞	Do. 11¾pcLn2015	106⅞	+⅛	10.69	10.64
108⅞	99⅞	Euro Inv Bk 11pc Ln 2002	103⅞	+⅛	10.64	10.51
104⅞	95⅞	Do. 10¼pc2004	99⅞	+⅛	10.46	10.47
119⅞	109⅞	Int-Am Dev Bk 12½pc 2003	112⅞	+⅛	11.09	10.67
99⅞	90⅞	Do. 9¾pcLn 2015	94⅞	+⅛	10.34	10.39
97½	91½	Mlysia 10¼pcLn 2009	95xd		11.32	11.39
120	115	Utd. Mexican States 16½pc 2008	115		14.35	14.20

CORPORATION LOANS

1989 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
102	99½	Birmingham 13½pc 1989	100½		13.43	11.20
111½	102½	Do. 11½pc 2012	104½		11.00	11.00
91	86½	GLC 6¾pc 1990-92	88½xd		7.63	12.20
124½	141½	Leeds 13½pc 2006	119½xd		11.30	10.94
33	30	Liverpool 3½pc Irred.	32xd		10.94	–
95½	92	LCC 6¾pc '88-90	94½		7.14	11.90
30	27	Do. 3pc '20 Aft.	28xd		10.71	–
107½	101½	Manchester 11½pc 2007	103½		11.11	11.05

COMMONWEALTH & AFRICAN LOANS

1989 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
89½	86½	NZ 7¼pc 1988-92	88½		8.19	11.90
206	206	S Rhod 2½pc Non-Assd.	206		–	–
84½	84½	Do. 4½pc 87-92 Assd.	84½		5.33	9.33

LOANS

Building Societies

1989 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
99⅞	99⅞	N'wide Anglia 12⅞pc 2.10.89	99⅞		12.32	14.14
99⅞	98⅞	Do 11⅞pc 6.11.89	99⅞		11.86	13.95
100	98⅞	Do. 12⅞pc 4 12.89	99⅞		12.37	14.00
100⅛	99⅞	Do. 12⅞pc 2.1 90	99⅞		12.87	13.93
100⅛	98⅞	Do. 12⅞pc 29.1.90	99⅞		12.64	13.96
100	98⅞	Do. 12⅞pc 26.2.90	99⅞		12.77	13.94
100	98⅞	Do. 12⅞pc 19.3.90	99⅞		12.94	13.96
100⅛	99¼	Do. 13⅞pc 23 4.90	99⅞xd		13.40	14.30
100	99	Do. 13pc 14.5 90	99⅞		13.09	13.99
100	98⅝	Do. 13⅞pc 4/6/90	99⅞		13.73	13.99
100⅞	100	Do. 14⅞pc 2 7.90	100¼		14.28	13.80
100⅞	99⅞	Do. 13⅞pc 23.7.90	99⅞		13.65	13.77
107	98½	Do. 3⅞pcIL Ln 2021	104½xd		4.29	4.40

Public Board and Ind.

1989 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
47	45	Met. Wtr. 3pc 'B'	46xd		6.52	10.62

FOREIGN BONDS & RAILS

1989 High	Low	Stock	Price £	+ or −	Div % Gross	Red. Yield
45	40	Greek 7pc Ass.	40		3.50	f8.75
45	40	Do. 6pc 28 Stb. Ass.	40xd		3	f7.50
45	40	Do 4pc Mixed Ass.	40xd		2	f5.00
80	65	Hung. '24 Ass.	80		2.75	f3.57
139⅞	128⅞	Hydro Quebec 15pc 2011	132⅞	−⅛	15.00	11.05
128⅞	118⅞	Iceland 14½pc Ln 2016	122⅞xd	+⅛	14.50	11.67
97¾	91½	Ireland 9¾pc '91-96	92¼xd		9.75	11.40

AMERICANS

1989 High	Low	Stock	Price £	+ or −	Div Gross	C'vr	Y'ld Gr's
41⅞	26⅛	Abbott Laboratories‡	38⅞xd	−⅛	$1.40	–	2.3
579p	361p	♥Allegheny & W 1c	481p	−34	30c	–	3.9
18⅞	12⅛	Amax $1	16⅞xd	−⅛	80c	–	3.1
11⅞	6	Ambase Corp $1	9⅞xd	−⅛	20c	–	1.3
15	865p	Amdahl 5c	932pxd	−33	h10c	–	0.7
37⅞	25⅞	Amer. Cyanamid $5	32⅞	−⅛	$1.35	–	2.6
24⅞	14⅞	Amer. Express 60c	22⅞xd	−⅛	84c	–	2.3
16⅞	854p	Amer. Medical Inc. $1	14	−⅛	♦72c	–	3.3
27	15⅞	American T. & T. $1	26⅞	−⅛	$1.20	–	2.8
40⅞	26⅛	Ameritech $1	39⅞	−⅛	h$2.92	–	4.6
659p	535p	♥Asiamerica Equity‖	559p	−11	–	–	–
21⅞	9⅞	BankAmerica $1⅞	21⅞xd	−⅛	60c	–	1.8
35⅞	19⅞	Bankers N.Y. $1	32⅞xd	+⅛	$2.08	–	4.0
63⅞	38⅞	Bell Atlantic $1	61⅞	−⅛	$4.08	–	4.2
34⅞	19⅞	BellSouth Corp	33⅞	−⅛	$2.52	–	4.7
15⅞	12⅞	♥Bethlehem Steel $8	13⅞xd	−⅛	$1.00	–	4.7
11⅞	868p	♥Bio-Rad Labs. A	11⅞	+⅛	–	–	–
20⅞	15⅞	Bowater Inc	17⅞	−⅛	$1.12	–	4.0
12⅞	9⅞	Brunswick 75c	10⅞xd	−⅛	44c	–	2.7
42⅞	28⅞	CPC Intnl. 25c	39⅞	−⅛	$1.80	–	2.9
840p	333p	California Engy	840p		–	–	–
36⅞	17⅞	Campbell Soup 15c	29⅞xd	−⅛	92c	–	2.0
25⅞	15⅞	Chase Manhattan $12½	24⅞xd	−⅛	$2.36	–	6.0
25⅞	17	Chem. Banking Corpn.	24⅞	−⅛	$2.72	–	7.1
17⅞	13⅞	Chrysler $6¼	15⅞xd	−⅛	$1.20	–	4.8
22⅞	14⅞	Citicorp $1	20⅞xd	+⅛	$1.62	–	4.9
230p	107p	CityFed Fin. Corp	124p	−18	4c	–	2.0
39⅞	25⅞	Colgate-Palmolive $1	35⅞xd	−⅛	s$1.48	–	2.6
17⅞	10⅞	Cont'l Bank Corp $4	15⅞	−⅛	80c	–	3.2
410p	218p	♥Corporate Data Scnce	400p	−4	–	–	–
597p	278p	Cullinet Sftwr 1c	536p		–	–	–
27⅞	21⅞	Dana Corp. $1	24xd	−⅛	$1.60	–	4.2
12	854p	Data General	963p	+5	–	–	–
38⅞	28⅞	Dun & Bradstreet $1	34⅞	−⅛	$2.00	–	3.6
43⅞	30⅞	Exxon Corpn. 50c	39⅞	−1⅛	h$2.00	–	3.2
11⅞	8⅞	Echlin Inc	9⅞	−⅛	70c	–	4.5
20⅞	16⅞	FPL Group 1c	20xd	−⅛	$2.28	–	7.2

Continued on next page

	Bid Price	Offer Price	+ or −	Yield Gross
Henderson Global Strategy Mngmt SA				
North Am Portfolio	£0.99	1.04	+0.01	–
European Portfolio	£1.45	1.53	+0.02	–
UK Growth Portfolio	£1.04	1.10		–
Japan Portfolio	£1.41	1.49	+0.01	–
Pacific Portfolio	£1.27	1.34	−0.01	–
Managed Intl Portfolio	£1.12	1.18	−0.01	–
Dollar Cash Portfolio	$0.9998	0.9998	0.0009	–
Sterling Csh Portfolio	£1.1428	1.1428	0.0011	–
[illegible]				

(Remaining offshore fund listings: [illegible])

Money Market Bank Accounts

	Gross	Net	Gr Equiv CAR	Int Cr
Aitken Hume 30 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc.	12.50	9.78	13.52	Qtr
Mth Int Chq £1,000-£4,999	12.50	9.78	13.64	Mth
Mth Int Chq £5,000-£49,999	13.00	10.17	14.20	Mth
Mth Int Chq £50,000+	13.50	10.56	14.77	Mth
Allied Trust Bank Ltd 97-101 Cannon St, London, EC4N 5AD 01-629 6802				
OMNIA (£2,001+)	13.67	10.70	14.98	Mth
HICA (£2,001+)	13.10	10.25	14.33	Mth
Bank of Ireland High Interest Cheque Acc 36 Queen St, EC4R 1BN 01-625 7000				
2,000-9,999	12.780	10.000	13.842	Qtr
£10,000+	13.099	10.250	14.201	Qtr
Bank of Scotland 38 Threadneedle St, EC2P 2EH. 01 601 6746				
Money Mkt Cheque Acc	12.6	9.85	13.76	Mth
Barclays Prime Account PO Box 125, Northampton 0604 252891				
H.I.C.A. £1,000-£2,499	11.00	8.30	11.42	Qtr
£2,500+	11.50	8.60	11.84	Qtr
Benchmark Bank PLC Premier Account 9 Henrietta Place, W1M 9AG. 01-631 3313				
Small Deposits	9.50	–	–	–
£2,500-£10,000	12.50	9.78	13.53	Qtr
£10,001-£20,000	12.75	9.98	13.81	Qtr
£20,000+	13.50	10.56	14.65	Qtr
Brown Shipley & Co Ltd Founders Court, Lothbury, London EC2. 01-606 9833				
Demand Acc	12.50	9.78	13.53	Qtr
Cater Allen Ltd 25 Birchin Lane, London EC3V 9DJ 01-623 2070				
Cater Allen	12.375	9.683	13.500	3th
Charterhouse Bank Limited 1 Paternoster Row, EC4M 7DH. 01-248 4000				
Sterling	12.50	9.78	13.64	Mth
U.S. Dollar	8.00	6.26	8.59	Mth
German Marks	5.50	4.30	5.85	Mth
Swiss francs	5.00	3.91	5.31	Mth
Japanese Yen	3.50	2.74	3.70	Mth
Citibank Savings St Martins Hse, Hammersmith Grove W6 01-741 4941				
Money Market Plus				
£2,000-£24,999	9.75	8.00	11.07	Mth
£25,000+	10.25	8.50	11.79	Mth
Clydesdale Bank PLC 30 St Vincent Place, Glasgow G1 2HL 041 248 7070				
HICA £2,000-£9,999	11.5	9.00	12.41	Qtr
£10,000-£19,999	11.8	9.23	12.74	Qtr
£20,000-£49,999	12.2	9.55	13.20	Qtr
£50,000+	12.8	10.02	13.87	Qtr
Co-operative Bank Top Tier 78-80 Cornhill EC3 0800 616162				
£500-£999	9.00	7.00	9.50	6-Mth
£1,000-£2,499	10.30	8.00	10.90	6-Mth
£2,500-£9,999	11.50	9.00	12.30	6-Mth
£10,000+	12.80	10.00	13.70	6-Mth
Coutts Reserve Account 440 Strand, London WC2R 0QS 01-379 6262				
£50,000+	12.625	9.625	12.83	Qtr
£20,000-£49,999	12.50	9.50	12.67	Qtr
£5,000-£19,999	12.00	9.25	12.33	Qtr
£1-£4,999	6.00	4.50	6.00	Qtr
Dartington & Co Ltd 10 The Crescent, Plymouth PL1 3AB 0752 673873				
Money Mkt Acc	12.75	9.98	13.81	Qtr
Edington Plc 1 King Street, Manchester M2 6AW 061 834 2535				
HICA (£1,000+)	13.25	10.37	–	Qtr
Financial & General Bank plc 13 Lowndes Street, London, SW1X 9EX 01-235 0036				
H.I.D.A. £5 000-£15 000	12.70	9.93	13.75	Qtr
H.I.D.A. £15,000+	13.00	10.17	14.09	Qtr
Gartmore Money Management Ltd 2-3 White Hart Yard, London SE1 1NX 01-236 1425				
Money Mngt. Acct	13.125	10.27	14.23	3 Mth
Girobank plc High Interest Cheque Acc 10 Milk St., London EC2V 8JH 01 600 6020				
£1,000-£3,999	9.65	8.40	11.20	Yearly
£4 000-£9,999	10.0	8.75	11.67	Yearly
£10,000+	10.75	9.25	12.33	Yearly
£50,000	11.25	9.50	12.66	Yearly
Grofund Inv Mngrs/Allied Irish Bank High Interest Cheque Account 51, Belmont Road, Uxbridge UB8 1RZ 0895 59783				
£1,500+	13.30	10.41	14.44	Qtr
Humberclyde Finance Group Chalky Ct, Winchester Rd, Basingstoke 0256 841863				
£500-£2 499	12.0	9.39	12.97	Qtr
£2,500-£9,999	12.5	9.78	13.53	Qtr
£10,000-£49,999	13.0	10.17	14.09	Qtr
£50,000+	14.0	10.95	15.21	Qtr
Lloyds Bank High Interest Cheque Account 71 Lombard St, London EC3P 3BS 01-325 3497				
£500+	8.00	6.50	8.70	Mth
£5 000+	10 40	8.00	10.70	Mth
£10,000+	10 90	8.40	11.20	Mth
£50 000+	11 40	8 80	11 70	Mth
M & G/Kleinwort Benson M & G Hse Victoria Rd, Chelmsford 0245 266266				
H.I.C.A. £2 500+	12.25	9.58	13.37	Qtr
Midland Bank plc PO Box 2, Sheffield. 0742 528655				
High Int Chq Acc	10.86	8.50	11.70	Qtr
£10,000+	11 50	9.00	12.41	Qtr
£50,000+	11.82	9.25	12.77	Qtr
Premier Savings £5 000+	13 42	10.50	14.37	6-mth
NatWest Special Reserve Account 41 Lothbury, London, EC2P 2BP 01-374 3374				
£25 000 and above	12.50	9.50	13.13	Qtr
£10 000 to £24 999	12.00	9.25	12.77	Qtr
£2,000-£9 999	11.75	9.00	12.41	Qtr
£500-£1,999	11.00	8.50	11.70	Qtr
Provincial Bank PLC 30 Ashley Rd Altrincham, Cheshire 061-928 9011				
H.I.C.A. (£1,000+)	13 125	10.27	14.36	Mth
Royal Bank of Scotland plc Premium Acc 42 St Andrew Sq, Edinburgh EH2 2YE 031-226 5650				
£50,000+	13 00	10.17	14.09	Qtr
£25,000-£49,999	12.70	9.93	13.75	Qtr
£10,000-£24,999	12.50	9.62	13.30	Qtr
£2,500-£9,999	11 75	9.19	12.69	Qtr
Save & Prosper/Robert Fleming 28 Western Rd, Romford RM1 3LB. 0708 766966				
H.I.B.A.	12.00	9 39	13 12	Daily
TSB Bank plc England & Wales Division 100 Lower Thames St, London EC3R 6AQ 01-623 6000				
HICA £1-£499	6.50	5.50	7.33	Yearly
£500-£1,999	9.00	7.50	10.00	Yearly
£2,000+	11.00	9.00	12.00	Yearly
Tyndall & Co Ltd 29-33 Princess Victoria St, Bristol 0272 732241				
Demand Acc	12.75	9.97	13.80	Qtr
Money Acc	12.77	10.00	13.84	Qtr
Chem Plus Acc	12.25	9.58	13.24	Qtr
J. Henry Schroder Wagg & Co Ltd Bilton Ctre, Northarbour Rd, Portsm'th 0705 372222				
Special Acc	12.875	10.07	14.07	Mthly
£10,000 and above	13.125	10.27	14.36	Mthly
Western Trust High Interest Cheque Acc The Moneycentre, Plymouth PL1 1SE 0752 224141				
£25 000+	13.50	10.56	14.64	Qtr
£5 000-£24 999	13.25	10.36	14.36	Qtr
£1,000-£4,999	13.00	10.17	14.08	Qtr
Wimbledon & South West Finance Co Ltd 114 Newgate St, London EC1 7AE 01-606 9485				
High Int Cheque Acc	13.50	10.56	14.64	Qtr.

NOTES—Gross rate is those exempt from composite rate of tax Net actual rate after deduction of CRT Gr Equiv CAR Gross equivalent to basic rate taxpayers-compounded annual rate Int Cr frequency interest credited

Money Market Trust Funds

	Gross	Net	Gr Equiv CAR	Int Cr
Charities Aid Fndtn Money Mngmt Co Ltd Staple Hall, Stone Ct, Houndsditch, EC3 01-283 6461				
CAF CASH Call Fund	13.75	10.76	14.94	3-mth
CAFCASH 7-day Fund	13 64	10.67	14.81	3-mth
The Charities Deposit Fund 2 Fore Street, London EC2Y 5AQ 01-588 1815				
Deposit	13.55	–	14.25	3-Mth
Gartmore Money Management Ltd 2-3 White Hart Yard, London SE1R 1NX. 01-236 1425				
Call Fund	13 80	10.80	14 79	6-Mth
7-day Fund	13 77	10.78	14 77	6-Mth
Special Fund	13 55	–	14.42	Mth

UNIT TRUST NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S dollars. Yields % allow for all buying expenses. Prices of certain older insurance linked plans subject to capital gains tax on sales. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ♦ Yield column shows annualised rates of NAV increase. xd Ex dividend. (**) Funds not SIB recognised.

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AMERICANS—Contd

1989 High	Low	Stock	Price £	+ or	Div Gross	C'vr	Y'ld Gr's	P/E
35⅛	27½	Ford Motor $1	31⅞d	-½	$3.00		9.9	
37¾	24¼	Gen. Elect. 63c	34¾	-¾	$1.64		5.0	
579p	46op	General Host Corp $1	512p	-9	30c		3.7	
39⅛	18¼	Gillette $1	28⅞	-⅛	96c		2.2	
987p	601p	Gt American Bank Fin $1	800p	-15	20c		1.6	
23⅝	16¼	Greyhound $1	21½	-⅜	$1.32		3.9	
141½	847p	Hasbro Ind Inc 50c	133½	-½	16c		0.8	
57½	32¼	Honeywell $1	51½	-1⅛	$2.10		2.8	
22	15¼	Houston Inds $	21	-¼	$2.96		8.9	
76.½	63¼	IBM Corpo $1	72¼	-1¼	$4.84		4.2	
60p	45p	Image Storage/R Svc Ic	55p					
32¼	18½	Ingersoll-Rand $2	28⅞d	-⅝	$1.20		2.6	
33¼	22½	Lockheed Corp. $1	30¼d	-¾	$1.80		3.8	
25⅝	15¼	Lone Star Inds $1	19⅛d	-⅝	$1.50		6.2	
27⅛	17⅛	Louisiana Land 15c	25¼	-⅛	$1.00		2.5	
20¾	11½	Lowe's 50c	18¼	-¼	48c		1.6	
28	15¼	Manuf. Hanover $1	26⅝	-⅛	$3.28		7.7	
22⅝	13¼	Merrill Lynch $1	19⅛	-¼	$1.00		3.2	
2439p	1910p	Mofex Inc	2368p	-47	3 2c			
27¼	18½	Morgan (JP) $2½	25⅛		$1.66		4.0	
107.⅜	97⅜	Morris (Philip)	97⅝	-1⅜	$4.50		2.9	
54⅛	39¾	NYNEX $1	50¾	-¼	$4.36		5.4	
44p	20p	N wide Legal Serv I	30p					
24⅞	18¼	PHH Corp $	23½	-⅝	$1.12		3.0	
259p	179p	Pacific Agr.	212p					
27¼	19	Pacific Corp $3¼	25¼d	-¼	$2.76		6.6	
30¼	16¾	Pacific Telesis 10c	28½	-¼	$1.88		4.2	
22⅝	15⅛	Pall Corp. 25c	21½	-¼	48c		1.4	
55¾	37⅝	Pennzoil 83 1/3c	50½d	-1½	$3.00		3.7	
42¼	28⅝	Quaker Oats $5	38½	-¾	$1.20		2.0	
32⅜	23½	Rep NY Corpn $5	29⅞d	-⅝	$1.28		2.7	
16	11⅜	Rockwell Intl. $1	14⅝d	-⅜	78c		3.3	
29½	22	Sears, Roebuck 75c	26¾	-½	$2.00		4.8	
35⅝	21¾	Southwestern Bell $1	33¼	-¼	$2.60		4.8	
17¾	17½	Sun Co. Inc. $1	24⅛d	-⅛	$1.80		4.6	
31¼	22⅞	TRW Inc. 62½c	29¼	-⅝	$1.72		3.7	
24⅞	14⅝	TW Services $5	23¼	-1⅛	10c		0.3	
39⅛	26¼	Tenneco $5	36⅝	-1¼	$3 00		5.2	
28		Texaco $6 25	31⅜d	-⅝	$3.00		5.9	
28⅛	21¾	Texas Instr $1	23½d	-1¼	72c		1.9	
117⅛	58⅝	Time Inc. $1	85½	-1¼	$1.00		0.7	
19¾	15⅞	TRINOVA Corp.	17½	-⅝	$68c		2.4	
24¼	16	USX $1	20¼	-¾	$1.40		4.2	
126p	90p	Varlab	94p					
36⅞	22½	Utd Technologies	34½d	-⅛	$1.60		2.9	
158p	128p	Utilitech Inc	146p					
46½	31½	US West	44¼	-½	$3.76		5.2	
38½	22¾	Waste Management $1	37⅝	-⅝	60c		1.0	
24¼	16¾	Whirlpool $1	17¾	-¼	$1.10		3.9	
24¼	16¾	Whitman Corp	19¾	-¼	$1.02		3.3	
40½	28¼	Woolworth $3½	40¾	-1	$1.88		3.0	

CANADIANS

174p	129p	ABM Gold Corp	165p	-2				
26p	4½p	Abbot Energy Corp	25p	+½				
16½	9.2p	Amer. Barrick Res	14¾	+¼				
28p	18p	Ameron	15½	-½				
33¼	8½	Augmitto Explin	12½	-¼	$2.12		6.9	
19¼	12½	Bk. Montreal	16¾				5.5	
10¼	655p	Bk Nova Scot	905p	-13	62c		5.5	
821p	599p	BC Gas $1	773p	-17	64c		6.2	
22.½	17	BCE	21½	-¼	$2 64		3.1	
17	12⅛	Bracan	15¾	-¼	88c		4.2	
228c	124p	Breakwater Res	180c	-2	10c		4.2	
17¼	11⅛	Can. Imo Bank	15⅞	-¼	$1.24		4.2	
588p	374p	Central Capital "A"	535p					
99op	640p	Corona Corp	956p					
381p	220p	Cons Pk Min	357p	-18				
775p	524p	Derian Inds.	575p	-15	11.75c		1.1	
10¾	75½	Echo Bay Mines	10		$0 07		0.4	
572p	336p	ECO Corp	370p	+8				
236p	161p	Galactic Resources	161p	-2				
243p	160p	Gandalf Techs. Inc	199p	-2				
186p	129p	Granges Inc.	156p	+7				
27.½	5½	Gt Pacific Res	6⅝					
85½	65½	Gulf Canada	77½	-18	52c		3.6	
15	10¼	Hawker Sid Can	14¼	-¼	$1 08		4.1	
653p	348p	Henry Group	588p					
20p	11½	Hollinger Bay	18½	-½	60c		1.7	
32½	23	Imperial Oil	31¼	-¼	$1.80		3.1	
23¾	14½	Incol	20¼	-¼	$0.80		2.5	
250p	102p	Madeleine Mines	172p					
193p	121p	Muscocho Explin	124p	+1				
129p	64p	Nevada Goldfields	68½	-2				
50½	4p5p	Nova Corp of Alberta	495p	-18	42c		4.6	
14½	10¾	Rio Algom	13½	-¼	85c		3.4	
25¾	17¼	Royal Bk Can.	23⅞d	-¼	$2.20		5.0	
474	33⅜	Seagram	50¾	-1¼	US$1 40		1.8	
112p	74p	Sonora Gold Corp	74p	-1				
409p	42½p	Tam Pura Tech Corp	49p	-7				
11¾	90p	Toronto-Dom. Bk	11¼	-¼	76c		3.7	
943p	686p	Trans Can Pipe	898p	-27	68c		4.1	
184p	145p	Varity Corp	156½p	-7	8			

BANKS, HP & LEASING

1989 High	Low	Stock	Price	+ or	Div Net	C'vr	Y'ld Gr's	P/E
278	216	ANZ $A1	253	-5	¤034p	2.0	6.5	7.6
162	143	Abbey Nationl 10p	154		7.7	2.7	6.7	6.3
¤182	120½	Allied Irish Ord	180	+1	¤0.6p	3.2	4.0	10.5
£139	£111	Algemene FL 10	£129		¤027p		4.0	
¤80	61	Anglo Irish	72		¤012p		5.5	12.2
79	73	Ansbacher (H.) 10p	73		2.0		3.7	
£68	£38	Bancaire Cie Fr100	£61	-1½	¤012p		1.6	
£46½	£36¼	Banco Bilbao Viz	£44		¤0.5p	2.0	3.0	16.9
£33	£28	Banco de Santander	£31½		¤021p	2.4	2.4	17.3
£19	£14	Bank Ireland Ir£1	£22	+1	¤012.9p	3.2	4.6	9.0
£19½	£17½	Bank Leumi	£19½					
350	345	Bank Leumi (U.K.)	345		↑13.5		5.2	
116	88	Bank Scotland	115	-1	3.8	3.6	4.4	8.3
111¼	102¼	Do. 9¼pc Irrd Pf	107½		9¼		11.4	
*67	52	Bank of Wales	65		2.8	1.6	6.8	11.5
*560	404	Barclays L	543	-1	↑23.0	3.5	5.7	6.2
31	27	Benchmark 20p	28½		1.63	1.0	7.7	16.1
354	334	Brown Shipley £1	347		10.5		4.0	
430	325	Cater Allen £1	385		23.5		8.1	
259	201	Chancery	217	-2	8.0	2.8	4.9	9.6
£183	£141	Commerzbk DM10	£171	+½	Q18p		2.4	
*228	£224	Dgn. Hdr. Kr100	£241		¤015p		5.0	
£164	£132	Dai Ichi KBk ¥50	£141	-½	Q15p	2.4	0.7	
*228	£156	Deutsche Bk DM50	£228	+1½	Q24p		1.7	
£214	£174	Esprito Santo	£204		Q75c	3.3	2.3	13.4
260	219	First Nat. Fin. 10p	238		↑11.5	2.8	6.2	6.7
134	110	FNFC 6.5pc Cnv Pref	114		6.75		7.2	
£169	£140	Fuji Bank Y50	£153	+½	Q15.6p		4.0	
295	253	Gerrard & National	298		18.5		8.5	
144	113	Goode Durrant 5p	124		4.5		4.8	
147	118	Guinness Mahon 10p	144		↓1.2		1.1	
255	196	Hambros 20p	238	-2	10.0		5.0	
102	90	Do. 7.5pc Cv Pf	102		7.5		7.4	
57	39	Hill & Shaw NKS2.50	50		H034d		5.9	
495	470	Joseph (Leo) £1	488		15.85		4.5	
140	126	King & Shaxson 20p	130		9.25		5.5	
373	277	Kleinwort Benson Grp	359d	-1	14.0		5.2	
423	321	Lloyds £1	409	-2	↑16.8	4.5	5.5	5.4
48	40	Lon. Scot. Bank 10p	47	-½	↑2.05	1.5	5.9	10.8
389	291	Midland £1	374	-4	↑h16.3	3.5	5.9	7.0
£154	£124	Mitsubishi Bank ¥50	£134	-¼	Q15%		0.2	42.9
£144	£114	Mitsubishi Tst & Bk ¥50	£122½	+¼	Q16%	8.2	0.3	
351	257	Morgan Grenfell £1	333d	-1	↑10 85		4.3	
*335	269	Nat. Aust. Bk. A$1	316	-5	¤032p	1.5	4.9	13.7
388	255	Nat. West 100p	348	-4	↑h30.5	4.4	5.5	7.0
£215	£160	Ottoman Bank	£216		Q90%		4.1	
83	62	Rea Bros. Group	66		0 5		1.0	
*240	155	Rothschild (J) Hldgs	215	-1	9 5	3.3	5.9	6.7
184	139	Royal Bk. Scotland	184	+1	↑h6.0	4.9	4.9	6.3
£134	£104	Sanwa Bank ¥50	£124	-¼	Q16%		0.3	
175	124	Scandinavian Bk Units	156	-1	18.5		7.3	
1425	670	Schroder Cl	1425		19.5		1.8	
1085	655	Do £1 N/V	1085		19.5		2.4	
£33	£19	Sec. Pacific $10	£29	-¾	Q$1.9c		4.2	
*572	499	Standard Chartd £1	548	+1	33.9	2.9	8.2	4.7
£193	£155	Sumitomo Bank ¥50	£155		Q15%	7.5	0.2	60.5
£131	£105	Sumitomo Tst & Bk ¥50	£111		Q16%	7.8	0.2	50.4
133½	101	TSB	119	-½	↑5.24	3.1	5.9	7.4
232	162	TSB Cr'mel Is'l	168		↑06.2	3.5	3.6	8.5
563	470	Union Discount £1	560		30.0		7.1	
465	277	Warburg (S G)	439	-3	12.5		3.8	
148	98	Do 6pc Cnv Pref	147	-3	6.5		4.4	
*254	226	Westpac BkA$1	257	-3	¤13.4p	1.7	5.2	9.2
463	443	Wistrust 20p	463		7.8		2.2	

Hire Purchase, Leasing, etc.

545	224	Anglo Grp. 10p	432		5 0	3.8	1.5	18.3
£190	£148	Do 9½pc 1999	£148	-2	Q9½%		6.4	
*373	230	CLF Yeoman 50p	230		Q28½c	3.4	4.5	7.3
100	51	Capital Lasing 10p	100	+8	Q13.7c		6.8	
78	55	Cattle's Hldgs 10p	69		↑3.25	2.2	6.3	9.7
38	24	Equity & Gen 5p	26	-1	1 5	1.7	7.7	(9.2)
365	312	Prov. Financial	348d		↑18 0	1.6	6.9	9 1
220	100	Reflex Invs. 5p	215		Q26.4%		0.6	0.5
230	146	Secure Trst Grp. 10	147	-1	W7 0¼	1.6	6.3	11.6
187	127	Woodchester 10p	178	-3	↑h11¼	6.2	4.1	16.8

BEERS, WINES & SPIRITS

577½	427	Allied-Lyons	526	-5	15 0	2.2	3.8	13 6
1250	747	Anheuser-Busch $1	£754	-6	¤23.5p	3.4	3.0	13.0
203	160	Boddington	188		4 9	2.5	3.0	17.1
208	135	Bulmer(H. P.) 5p	203		6.95	1.9	4.6	20.0
295	192	Burtonwood Brewery	240		3.55	1.4	2.0	26.9
427	402	Glenlivet (Matthews)	427		13 0	2.9	3.0	32.9
*361	279	Greenall (I.) A 25p	352		F4 44	3.9	3.7	16 8
295	210	Do 4.5pc Cv 2nd Pf	250		4½	25.3	2.4	
242	202	Eldridge, Pope "A" 50p	210c		↑h3 6	3.4	2.3	16.7
455	385	Fuller, S T A	405		4 45	4.8	1.9	20.6
658	525	Grand Metrop. 50p	598	-8	↑15 0	2.9	2.5	13.3
279	258	Greenall Whitley	348		↑17.25	3.3	2.8	13 7
177	129	Do 5 95pcCnPfE1	165		5.95%		4.8	
622	447	Greene King	519		8 7	3.6	2.2	15 9
611	329	Guinness	585	-6	11 5	3.0	2.6	15.2
173	102	Do 5½pc Cnv Pf	164	-1	5 75%	25.0	4.7	
£206	£119	Do 8½pc Cn Ln	£198	-1	Q8½%	69.0	4.2	
261	135	Highland Dists 20p	255		↑2 82	2.7	1.5	33.8
*670	183	Maclellan-Cleniffet	638		↑h6 08	5.7	0.5	19 7
1950	1335	Macdonald Martin 'A'	1925	-15	¤24.0	2.1	1.7	37.7
515	455	Mansfield Brewery	502	-3	9 5	3.5	2.5	15.0
240	166	Marston Thompson	239		3 36	3.1	1.9	22 7
470	363	Merrydown Wine	468		6 5	3.4	1.9	21.1
798	647	Morland	788		↑9 05	4.8	1.5	17.1
449	284	Scott & Nem 20p	373	-1	↑10 05	2.3	3.5	15.3
337	273	Vaux Group 10p	317		↑6 53	2.3	2.7	20.6
409	299	Whitbread 'A'	385	-4	12.55	2.6	4.3	11.8
492	412	Wolv. & Dudley	489	+1	↑7 0	4.2	1.9	16.6
535	500	Young Brew 'A' 50p	530		10 2	1.8	2.6	28 4
455	420	Do. Non. V. 50p	450		10 2	1.8	3.0	24.1

BUILDING, TIMBER, ROADS

536	329	AMEC 50p	458		↑17 0	2.6	5.0	8.4
132	89	Do. 8½pp Cm Cv Pf	116		6½		7.6	
204	160	Abbey	160	-5	26.8	4.1	4.7	6.9
116	97	Allen Sp	110	-3	L4 2	2.8	5.1	8.5
*460	108	Anglia Sec 10p	119		4 0	6.4	4.5	4.5
60	39	Anglo Utd	53½		1 2	2.0	3.0	16.8
258	163	Armitage 10p	178		↑6 0	5.9	4.5	4.5
331	245	Ashtead Group 10p	313	+3	2 5		1.1	
516	285	Attwood 5p	483	-1	↑7.0	2.3	1.9	25 2
165	116	BMSS 10p	148		4 0	3.8	3.6	9.0
275	218	BPB Inds. 50p	262	-5	10 75	2.8	5.5	8.0
214	147	Baggeridge Brick	184		↑h2.5	6.0	2.0	10.9
146	90	Bailey (Ben) 10p	138		12.2	5.7	2.3	10 3
180	108	Baldwin 10p	108d	-2	↑2.0	1.3	2.9	37 8
218	196	Ball (A.H.) 5p	216	-2	L6 0	1.9	3.7	17.2
94	65	Banner Homes 10p	78		2.8	3.9	5.3	6.3
209	165	Barratt Dev. 10p	189		13.3		10.0	
268	175	Bellway	192		↑10.0	3.5	6.9	5.5
98	45	Beltwinch 10p	46d	-1	3.75	4	10 9	
261	151	Berkeley Group	153		4.5	7.6	3.9	4.5
151	103	Bett Bros 20p	142		↑3 95	2.8	3.6	13.2
220	152½	Blackleys 20p	180	-10	↑4 35	3.2	3.2	15 0
207	210	Blue Circle 50p	251½	-1	↑10 0	2.3	5.3	10.4
169	118	Do. 7½pc Cr Rd Pf	137	-1	7½		7.4	
153	108	Breedon	127		↑3.75	2.1	4.0	15.1
345	325	BB & EA	395		4 0	6.6	1.4	15 0
193	133	British Dredging	175d	-3	↑6 0	2.0	4.6	14.2
136	93	Bryant Group	130		↑4 3	3.8	5.7	6.1
140	103	Bucknall Austin 1p	138		3 9	2.8	3.8	12.1
159	113	CALA Sp	121	+2	3.5		2.9	
57	29	CCS Group 20p	43d		L0.45	1.6	1.4	60.9
225	130	CRH	214d	+2	¤27.7%	3.7	2.7	15.4
163	108	Cakebread Robey 'A'	116	+2	4 1	2.6	5.0	11.0
491	318	Caradon 5p	491	+27	11 0	3.3	3.0	13.3
128	62	Carron Phoenix 10p	63		4.0	2.3	8.5	6.7

BUILDING, TIMBER, ROADS — Contd

1989 High	Low	Stock	Price	+ or	Div Net	C'vr	Y'ld Gr's	P/E
181	140	Colroy 10p	153		L4 0	4.9	3.5	6.2
1150	373	Conder Group	1078d		↑11.0	4.9	1.4	18.7
269	184	Copson (F.) 5p	231		10 5	4.5	4.5	7.9
377	269	Costain Group	311d	+2	↑11.75	2.5	5.0	9 6
311	212	Countryside Props.	224	-1	↑7.15	12.7	1.9	5.6
231	179	Crest Nichol 10p	209	-1	↑7.15	3.9	4.6	7.6
97	83	Do 5½pc Cv Cm Rd Pf	84	+1	5½		9.7	
*59	20	Creston 10p	33½		1.7		3.0	
148	98	Crosby (James) 10p	116	-1	6.9	4.0	4.8	
149	140	Danbury Grp 10p	145		L5.06	2.0	4.7	8.6
69	51	Dawson Tyzac 10p	55		¤0.75	2.4	1.8	30 1
615	511	Do. Conv Pref	589	+4	6.5	5.8	1.7	12.4
39½	28⅛	Duncan Group 5p	31		1.0		4.3	
*196	110	EBC 50p	186	+1	↑h6.75	3.8	4.8	8.3
49	33	Edmond Hldgs 10p	39d		↑2.7	3.8	6.8	6.0
148	101	Edwin Group 10p	142	-2	↑5.2	2.0	4.8	14.1
107	68	Erith	72d	+1	3.9	1.9	7.2	9.5
287	210	Esse Group	283		17.0	3.0	3.3	5.5
277	167	Everard	258		4.55	2.7	3.8	10.7
168	95½	Fairbriar 10p	108	+1	5.0	4.8	6.2	4.7
111	64	Fastflow Group	68		2.5	4.9	8.5	3.0
277	116	Fed. Housing 5p	118d		↑4.9	1.9	9.6	
93	68	Finlan Group 10p	68		↑3.5	2.1	6.6	8.7
312	215	Freeman Group 10p	310		↑6.75	2.9	3.1	11.7
101	68	Galliford Sp	87		↑3.2	2.3	4.9	12.3
282	240	Gibbs & Dandy 10p	268		↑2.75	1.2		↑12.6
135	37	Gleeson (M.) 10p	58		↑2.75	1.2		16.2
116	70	Do. 7.5pc Cv Cm Rd Pf	76		↑8.14	9.6	1.4	10.6
*132	113	Do. 8pc Cv Cm Rd Pf	125		↑8.14	9.6	1.4	
241	154	Graham Wood	177		L7.7		4.3	9.2
173	160	Harrison Inds 10p	165		6.95	2.2	5.2	11.3
265	150	Hasfield Ests	195		↑2.0	6.5	2.0	9.9
139	85	Hewden-Stuart 10p	82		2.5	4.9	7.2	12.2
148	57½	Jackson Group 10p	57					
154	123	Jarvis (J.) Sp	123		↑3.5	2.8	4.5	10.5
164	121	Jennings A'S.50	121		¤0.6p	4.1	4.5	10.5
96	65	Kingspan Gp Ir20p	95		¤11.7p	3.6	2.4	12.5
£174	£128	Lafarge Cop. Ff100	£158	+2	Q25%	5.3	1.3	14.2
286d	275	Laing (John)	286d		12.0	4.3	4.2	13.7
370	265	Do. "A" N/Vtg	265d		12.0	4.3	4.5	13.3
409	285	Latham (J.) £1	310	-5	10.75	3.5	4.6	8.3
154	121	Lawrence (W.)	135		7.5	3.3	7.4	5.5
160	127	Do 8.5pc Cm Rd Pf £1	137½		8½		6.2	
76	48½	Lilley 12½p	68	-1	↑a1.64	3.7	3.9	(8.7)
105	48	Lion & Eastside	93		2.5	2.7	1.9	9.1
*111	104	Lovell (E. J.)	413		2.5		0.6	
287	214	Lovell (Y. J.)	287		↑6.65	3.9	3.1	10 9
397	295	Alexander Howden	374		16 1	1.6	5.7	13.4
407	112	McCarthy & Stone 20p	135	+3	15 14	8.5	3.1	
312	275	McLaughlin & H	275d		↑10.35	2.1	3.8	16.2
240	194	Manders (Hldgs)	220d		↑10.35	2.1	3.8	16.2
192	137	Marley	140	-1	6.35	2.6	6.0	8.2
114	84	Marshalls	116		↑4.38	3.6	5.0	7.4
116	97	Do. 9½p Cv Cm Red Pf	109		6.5		8.0	
124	87	Maunders (J.) 20p	87		↑3.15	3.8	4.3	7.3
473	344	Meyer Int	399	+1	15.0	4.0	5.0	6.5
349	140	Miller (Stan) 10p	159	-24	4.0	3.6	3.4	9.6
66	56	Miskin Grp 20p	58		W41.38	4.5	3.2	7.7
474	344	Mowlem (J.)	401	-2	↑19.5	2.3	6.6	8.7
143	69	NSM 10p	135	-1	3.0	2.1	3.0	10.9
113	74	Needler Group	96.8		5.0	4.8	5.2	8.6
2425	1854	Neesar Ind Ld	2230		¤15.0	4.4	0.9	33.5
211	160	Newman-Tonks	195	-1	18.5	1.9	5.8	12.3
*197	139	Persimmon 10p	154d		15.0	5.4	4.3	5.6
91	67	Phoenix Timber	89		2.75	2.7	4.1	19.8
£16½	£10½	Pochins	£16		19.0	8.4	7.1	10.0
15	11	Poplar 10p	13½		3.0		2.2	
125	112	Prowting 20p	124		5.0	4.3	5.0	9
114	111	Rugby Group	111	+3	L2.0		3.6	
503	388	RMC	737	-3	↑14.5	4.3	2.6	11.6
111	82	Raine Inds. 10p	106		↑3.0	2.5	4.0	11.6
140	98	Ramus	140		↑4.0	2.9	4.0	10.4
*635	415	Redland	565	-5	↑19.8	2.2	4.7	10.8
£116	£89	Redland Cn 7½pc Cu '92	£107½		Q7¼%		6.7	
139	104	Roskel 10p	129	-1	3.0	3.9	3.1	10.7
226	134	Rugby Group	179d		↑5.2	3.1	3.9	11.2
*405	323	Rush & Tompkins	368		15.2	2.8	4.5	9.5
41	31	SW Group 50p	32		↑1.4	1.8	4.4	13.0
140	118	Sandell Group 10p	132		12.75	4.2	2.9	10.7
87	86	Sevenfield-Rene 10p	87		↑4.0	2.9	4.6	9.9
195	110	Sharpe & Fisher	116	+1	↑4.25	2.2	4.3	14.0
152	131	Sheffield Insts. 10p	133	+1	↑3.75	3.9	2.2	13.4
176	143	Sheriff Hldgs. 50p	165		L5.25	2.4	4.2	13.3
245	120	Shorco Grp	225		↑3.75	3.9	2.2	12.0
113	21	Sindall (Wm) 5p	113		10.0	3.6	2.1	10.6
165	128	Smart (J.) 10p	163		↑h5.8	1.6	4.7	15.5
*691	327	Steetley	421	-1	↑11.5	2.9	3.7	12.1
374	226	Tarmac 50p	298	-2	↑10.0	3.4	4.5	8.7
155	92	Tay Homes	113		↑h2.67	7.4	3.1	5.7
337	281	Taylor Woodrow	365d		↑h7.5	2.9	3.1	13.6
348	252	Tilbury Group	618	+10	↑h32.5	2.9	5.0	11.8
89	70	Toresi Hire 10p	86		↑h2.25	1.9	3.5	15.8
283	200	Travis Perkins 10p	210d		L7.5	3.2	4.8	8.8
140	101	Try Group	134		↑5.0	2.3	3.7	8.4
*71	52	Tudor 20p	56		¤2.67	2.8	6.4	7.4
281	201	Turriff Corp	342		↑11.25	3.3	3.3	11.1
95	58	Ward

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LEISURE

1989 High	Low	Stock	Price	+or-	Div	Net	C'vr	Y'ld Gr's	P/E
170	143	Airtours 10p	159		16.25	3.2	5.2	7.2	
315	195	Anglia TV	291	+4	17.75	3.3	5.6	11.3	
158	109	Associated Leisure	145	+1	8.1	8.9	1.8	12.6	
34	17	BSCE Hldgs 5p	34		0.4			3.1	
360	275	Barr & W.A.T. 'A'	360		15.0	1.7	5.2	15.5	
22	10	Bristol Media	12		0.2			8.0	
540	225	Bovey & Hawkins	465		10.0	2.5	2.9	18.4	
50	32	Border T.V	50	+1	2.0		4.0	4	
429	317	Brent Walker 10p	415		11.0	3.4	2.6	8.5	
117	87	Do 6pc Cv Cm Rd Pf	113		6.0		5.3		
103	80	Broadgate Inct. 10p	100						
223	223	Camperdown Ind. 20p	223	+2	8.5	3.4	3.8	5.9	
1195	504	Capital Radio 10p	1187		10.0	1.4	1.1	31.0	
658	662	Carlton Communica	954	+6	17.5	5.2	1.1	25.5	
463	268	Castle Comms. 5p	463	+14	17.2	2.7	2.1	27.7	
583	574	Central TV	583	+6	25.5	2.5	4.3	12.2	
748	126	Chandler	748	+6	42.4	0.1	2.6		
138½	50½	Do 'A'	140.5	140.0	10.1	0.5	25.1		
38	15	Classic TV Instl Hd 2p	18						
592	250	Compass Group 5p	362		17.7	2.7	2.5	19.7	
106	69½	European Leisure	99	-1	108.4	29.9	0.1	37.0	
110	68	Fairclough Lands 10p	110		6.5		1.0		
117	95	Expotel Ltd. 20p	115					30.9	
675	437	Fairline Boats 10p	675		13.5	5.6	2.7	8.6	
248	149	First Leisure	201	-5	12.63	3.5	1.7	23.4	
758	625	Do GWR Group 20p	720	-5	23.0	11.3	0.6	18.8	
8	4	Gaming Technology	7		3.0	2.8	5.7	8.0	
31	20	Greenwich Comms	31						
132½	85	ITV Ord	126		10.9	3.9	4.1	8.2	
137	112	Hi-Tec Sports	133	-2	4.5	3.2	5.1	8.2	
316	256	Ideal Media Comm. 5p	316	+1					
77	53	Impact Group 10p	77		2.1	2.8	1.1	27.0	
68	41½	Kalick 10p	58½		11.4	2.4	3.2	16.5	
136	97	Do 7p Rd. Pf	136		7.0		5.1		
257	157	LWT 5p	222		15.7	3.4	5.4	11.3	
111	61	Leisure Inv 10p	86		1.5	1.4		20.3	
345	345	Marles Dev. 50p	345		10.0	0.8		9.1	
200	155½	Mecca Leisure 10p	189½	+½	14.5	1.8	1.2	23.0	
118	87	Do. 7.25p Cv Rd Pf 20p	118		7.25		9.0		
162	101	Meldrinister 10p	156		4.9		3.6		
247	131	Metro Radio Grp 25p	218	-2	13.0	2.3	1.8	25.2	
177	173	Monmar Leis. 10p	174		12.5	5.1	1.9	20.7	
463	453	New Isis World 10p	458		20.0	2.4	2.4	27.1	
145	82	Noble Rarerton 5p	84	-5					
98	72	Owners Abroad 5p	74		12.35	3.3	4.2	8.6	
270	107	Pavilion Leisure 10p	124	+1	44.5		4.9		
240	215	Pickards	232		15.29	2.9	1.9	24.0	
196	107	Pinebrick	179		461.29	7.5	1.3	14.9	
152	126	Prism Leisure 10p	146		4.3	1.9	3.8	17.7	
319	211	Queens Leisure 10p	284		3.6	3.3	1.7	18.6	
299	222	Radio City 'A' NV	299		16.0	4.0	5.3	22.2	
380	240	Radio Clyde	379	-3	15.79	3.3	2.8	18.8	
670	424	Really Useful Grp 5p	665		17.0		2.5		
227	227	Saga Group 20p	227		5.76	1.3	2.6	20.8	
318	245	Scott. TV 10p	294	-4	19.0	3.6	5.1	8.7	
200	124	Border TV 1p	124						
477	229	Sedley Leisure	248		4.5	3.7	2.6	14.8	
296	220	Sunset & Vine 5p	278		4.5		0.7		
98	65	TSW 5p	94		3.4	3.4	3.5	8.8	
220	136	TV-am 5p	211	-1	6.3	3.0	4.1	10.8	
176	170	TVS Entertain 10p	172		13.25	2.1	9.3	5.0	
116	79	Do. 14pc Pref	94		79.4%		12.5		
369	360	Thames TV	369		15.0	3.0	3.9	11.3	
140	106	Tottenham Hotspur	135	+5	5.0		4.9		
65	51	Trillion 10p	63						
476	349	Tyne Tees 50p	468		117.25	3.1	5.0	8.6	
160	90	Ulster TV	155	-2	14.75	2.8	4.8	10.0	
19	11	Unicorn Ind. 5p	11½		0.62		1.8	13.5	
34	22	Williams (Rec) 5p	34		0.62		1.6	24.0	
62	41	Woodlington	46	-1					
101	67	Xtra-Vision 10p	88	-2	23.97	2.5	1.1	37.2	
258	238	Yorkshire Ind. Hd 25p			84.0	2.1	2.2	22.7	
327	222	Yorkshire TV	293	-1	17.6	3.4	4.8	9.0	
196	138	Zetters Grp 5p	179		6.0	1.2	4.9	24.5	

MOTORS, AIRCRAFT TRADES

£17¼	£15½	BAF N.V. FD 5	2	£15p	½	N02.5	1.8	4.5	12.3
162	123	General Mtrs Belts	147	-3	8.24	5.4		5.6	
614	264	Jaguar	574xd	+5	11.0	0.5	2.5		
76½	36	Lucas Group 5p	76½		3.0		3.9		
248	231½	Volvo Kr25	£44½	-2	£56%	3.1	3.1	11.1	

Commercial Vehicles

*505	349	ERF (Hldgs)	353		15.0	4.1	5.7	5.2
*245	207	Flarton Grp	235xd		H8.5	2.1	4.8	24.0

Components

435	375	Abbey Panels	435		3.0	8.2	0.9	17.7
290	192	Action Streamliner	257		6.0	4.2	3.1	10.3
194	128	Armstrong Eq. 10p	192	-1	4.0		2.1	
95	80	BTS 10p	82	-1	4.0		0.8		
206	145	Bestrom 5p	205		1.5	10.6	1.3	10.0	
299	220	Dowty 50p	282		8.0	2.3	3.8	14.8	
261	206	FR Group	237	-1	5.54	3.7	3.1	11.7	
*162	100	Kwik-Fit Hldgs. 10p	148	+1	2.4	2.8	2.3	20.6	
*725	509	Lucas Inds. £1	694	+4	21.0	3.2	4.1	8.4	
*62	15	Spice 5p	23		1.2	0.4			

Garages and Distributors

48	35	Alexanders 10p	36		1.0	3.1	3.7	11.4
184½	145	Appleyard 10p	148		14.6	3.1	6.1	6.5
200	143	Arlington Motor 20p	143xd	-2	17.5		7.0	6.0
600	485	Cattyns 50p	568		11.5	2.0	2.6	21.9
146	89	Central Motor Austn.	114		12.75	2.9	3.2	12.8
195	68	Cook (D.C.) Hldgs.	76	-1	1.93		2.5	
151	116	Cowie (T.) 5p	116		5.2	2.8	4.0	6.8
143	100	Desmond Motors 10p	108	-2	3.0	3.5	6.2	5.7
198	107	Desmond Young 10p	108	-2	17.0	4.2	7.8	6.0
254	205	Evans Halshaw	205		10.0	4.9	4.9	7.0
109	88	Gates (F.G.)	104	-1	12.75	2.5	3.5	15.6
185	178	Gowrings 10p	184xd		15.63	1.5	4.0	18.4
138	88	Hartwell	88		3.1	2.8	4.4	10.3
94	83	Jacks Wm	94	+4	25.0	3.2	3.0	9
*198	123	Lessups	123	-3	16.29	3.2	6.5	6.4
1147	1145	Lookers	1147		45.0	3.9	3.9	10.2
400½	309	Lex Service	354	-1	14.0	3.7	5.2	6.7
217	145	Lookers	172	-3	15.35	4.4	4.1	6.9
233	195	Perry Group	208		9.0	3.2	5.8	7.2
188	117	Quicks Group 10p	140	-1	5.0	3.1	4.8	8.6
115	85	S MAC Group	113		12.1	3.2	2.5	14.8
494	301½	Trimco 10p	381		23.97	4.7	6.3	4.6
262	226	Do.11½pc Ln '96	£245		Q11.5		4.3	
*255	530	Western Motor	888		18.0	4.2	3.0	21.0

NEWSPAPERS, PUBLISHERS

115	30	Accord Pub 5p	32		3.4	2.1	4.2	4.2
1675	1675	Apple	1675	+1	6.4	1.8	0.4	13.2
*223	187½	APP Hldgs 10p	210xd		14.2	2.7	2.6	19.3
398	235	Barbour Index	373		9.5	2.5	3.4	17.3
495	395	Black (A. & C.)	475		12.5	2.5	3.5	15.4
95	66½	Bladelow Exhibn 5p	95		8.0	2.8	3.2	16.1
368	268	Bristol Eve. Post	357		10.5	5.9	3.9	5.1
348	188	Bullder Group 10p	245		13.0		4.3	14.7
240	240	Bell 'A' 50p	240		7.3	3.0		
269	196	CAP	255		5.65	2.8	3.0	16.2
288	270	Carcassonne Publs.	3822½		14.0	1.6	4.9	17.4
121	81	CNEW Fact 5p	1158	-1	13.0	2.4	3.5	11.6
213	170	Cardiser D.C.	193		3.3	2.8	2.5	16.9
503	530	Clayhead Pub 20p	5338		13.0		4.7		
435	360	Eidman Publishing 5p	435		10.0	2.8	2.3	17.8
297	202	Home Counties	284		16.0	2.8	5.6	11.9
1900	1312	Independent	1878	+5	1885½	2.5	1.9	22.7
152	99	Intl. Bus. Comms. 10p	147		4.1	4.1	3.8	8.5
166	123	Johnston Press 10p	154	+1	13.5	3.4	3.0	12.4
231	167	Maxwell Comm. Corp.	198		12.5	2.9	5.1	9.9
143	123	Metal Bulletin 10p	137		5.3	3.2	3.9	14.7
178	117	Minster Pub 20p	174	-1	10.0	2.9	5.7	8.8
2900	2000	Morgan Grenf. Grp ASY.50p	2440xd	-16	0.10	17.6			
398	212	News Int. Spec. Dis.	378	-1	4.98	1.5	1.8		
872	639	Pearson	783	+1	18.0	2.6	2.3	15.0	
168	106	Pitman Book & Sp Hldg	148		13.5		2.8		
347	243	Portsmouth & Sund	345		6.86	4.8	2.7	10.2	
185	125	Quarto Group	179	+1	4.13	2.2	3.7	12.2	
471	362	Reed International	432	+1	12.0	2.6	3.7	14.0	
178	136	Salisbury Comm.	136		4.5	2.2	3.3	11.2	
1058	1058	Sterling Pub. 5p	1058		43.0	4.1	4.1	14.9	
690	690	Thomson Corp'n	1024.5		24.7	3.6	2.4	10.3	
222	175	Trinity Int. Hld 10p	193	+4	16.0	3.0	4.2	10.3	
520	372	Utd. Newspapers	515	+6	20.5	1.8	5.3	13.9	

PAPER, PRINTING, ADVERTISING

80	61	BATA Selection 5p	71xd		12.14	2.5	4.0	13.4
295	220	Beckett Nat'l Vid 5p	280		16.0	3.7	2.8	12.5
97	67	Bellis Group 10p	80.6		5.6	1.1	5.1	23.1
46½	29	Addison Comm. 5p	36½	+½	1.4	1.1	5.1	24.0
568	470	Aspen Comm. 5p	475		16.5	4.3	1.8	15.0
258	193	Assoc. Paper	193		9.0	4.6	6.0	11.1
59	29	Bibby Group 5p	45		1.7	2.1	3.7	18.9
218	78	Baker (Charles) 5p	218		11.0	2.7	4.5	10.8
249	209	Benrose	245	+1	11.0	2.0	6.1	10.8
43	30½	Bristol Street 10p	38	+½	1.5	2.5	5.3	9.4
*157	113	Brunning Grp	148	+2	3.0		4.8	
131	131	Bunzl	1624	+8	10.5	2.2	3.1	11.5
40	40	Burford Hldgs 10p	32½	+½	10.5	2.2	3.7	27.7
93	70	Chas of London Pf 10p	87		12.81	2.6	4.3	11.3
*196	135	Clarke Hooper 5p	146		3.9	3.7	3.1	11.6
238	138	Clondalkin Group	233		12.1	4.9	1.9	9
186	131	Coates & Parker 10p	173xd	-2	5.71	2.9	3.2	14.3
264	219	Colorgravure 10p	237		10.9	3.5	3.1	13.0
38	32	Cradley Print 10p	38		2.5	6.9	1.6	9.8
250	200	Cropper (James)	225	+5	12.0	3.5	3.2	12.8
214	214	Dorset Comms. 10p	214		12.5	3.4	2.8	12.4
611	414	DRG	3914	+7	44.6	3.5	2.7	19.1
2	1	Delyn Pack 5p	1		1.45		3.6	2.1	18.1
141	111	Dudley Jenkins 5p	121		10.0	2.8	3.3	17.4
425	346	Eco-Detail Dy B FRIB	346	-11	Q11.4		1.7	2.9	13.3
258	208	Dragon Sp.	208	+1	7.0	3.4	3.4	12.1	
17	17	Fairway (Lon) 5p	17		0.5	1.5	4.7	25.1	
298	298	Ferguson Ind	262		11.5	2.0	5.9	10.8	
217	178	Ferry Pick 10p	216		194.29	3.6	2.7	13.1	
38	38	Flotter 5p	38		19.0	3.6	5.1	8.7	
340	297	Fluck & Law 10p	340		19.5	4.2	3.7	8.1	
94	85	Do. 5p Cv Pf '07 10p	94		4.5		6.6		
93	43	Geers Grass 10p	78	-1	1.0	2.6	1.9	24.2	
173	158	Gibbons Lyons 10p	168	+5	3.0	1.8	2.5	15.8	
232	232	Gold Greenlees T 5p	232		5.5		3.4		
218	168	Good Comp 20p	214	+4	5.5	2.6	3.6	12.3	
129	100	Greig (J.)	129	+2	12.9	2.9	3.8	9.2	
237	197	Holmes March 10p	228	+2	16.0	4.0	3.5	9.2	
299	268	Horne-Gibert 20p	297		8.25	3.8	3.8	9.1	
309	292	Do. Non/Vot 'A'	294	-1	8.25	3.8	4.2	8.4	
2650	1700	Interprint	1700		210.0	2.5	7.5	6.4	
44	32	IMD Group 2½p	34	-1				14.5	
203	203	Jarvis Porter 10p	228		14.0	1.8	4.4	15.9	
217	217	KLP Group 5p	215		16.5	2.6	3.5	13.2	
48	9½	Kelson Sp	14		0.5		3.6		
52	43	Kenfield Inc 50.01	43		05.7	2.1	8.4	5.7	
672	558	Lawson Mardon A	634	-8	40.0		6.3		
1958	1958	Loost 5p	2240		16.0	2.9	3.5	11.4	
453	332	Low H-S & B 10p	453		12.0	2.6	2.7	11.9	
333	327	Mill Research Group	327		44.6	3.5	2.7	19.1	
191	105	Monotype Corp 10p	128		4.0		1.8		
276	276	Moore Of Farr 10p	401		120.0	2.8	3.3	13.7	
34	30	Nelson Trust 5p	34						
243	243	Norgine Oper. 10p	243		15.6	2.7	3.0	17.0	
119	100	Do 5½pc Cv Pf	119		5.5		5.9		
268	168	Penn Black & Sp 10p	224	-5	17.5	2.2	4.5	13.2	
193	193	Peterse & Little 5p	215		5.8	3.8	3.8	10.3	
149	93	Rexam Comm.	91		4.13		3.2	22.0	
149	98	Robinson Comm. 5p	149		13.3	3.9	3.0	11.6	
118	88	Parkway 5p	118	-1	13.0	4.6	3.4	8.5	
18	14	Paterfinders Bro. 50p	16		0.7		2.8	16.9	
11	8	Stylo Footwear 10p	8		0.7		4.7		
*106	106	Style Tech Ind. 25p	106		9.83	3.4	3.5	15.6	
85	48	SPS Constr. Grp	51		12.25	0.1			
421	262	Saatchi 10p	394	-7	16.0	2.3	7.8	7.5	
98	72	Do. 6.3pc Def Pf 81	79	-1	6.3%		11.2		
109½	90½	Do. 6½pc Pf 2003	94½	+½	06%		7.1		
24	18	Do. Ins 10p	24		13.0	6.1	7.7	13.1	
231½	221	Scott Paper	4581	-8	20.0		4.4		
176	116	Serif Cowells	121		6.0	2.8	6.6	6.9	
150	105	Sandvick 1p	143		11.88	5.1	1.7	12.0	

PAPER, PRINTING, ADVERTISING — Contd

1989 High	Low	Stock	Price	+or-	Div	Net	C'vr	Y'ld Gr's	P/E
68	36	Alexcon NPV	46		0.15		2.7		4.9
£16½	£30	Anglo Am. Ind. $1	£15½		0.225c		2.9	3.6	9.8
718	373	Barlow Rand 10c	675	-10	0.130c		3.0	4.4	7.7
69	55	Gold Fids. P. 2½c	65		0.56c		1.7	12.6	4.6
208	61	New Klein Pyps 25c	201		0.28c		2.5	8.0	5.0
211	173	OK Bazaars 50c	208		0.103c		1.8	9.9	5.6
211	110	SASOL $1	185		0.47½c		2.0	6.0	8.3
433	273	SA Brews 20c	423		0.82c		1.8	4.5	12.3
326	210	Tiger Oats 2c	326		0.43c		2.9	3.1	11.2
310	185	Tongaat-Hulett R1	295		0.94c		2.9	2.8	13.2

SHOES AND LEATHER

310	185	Fli Group	306		10.0	4	4.5	
164	111	Futura Hldgs. 5p	159	+2	1.25	2.8	1.0	20.3
96	56	Headlam Group 5p	77		2.0	3.1	3.8	12.3
217	113	Lambert Hth. 20p	167	-1	10.5		6.3		
305	305	Lotus	298	-1	15.0	1.9	3.8	10.5	
310	193	Norvic Shoe	193	-2	12.0	2.4	6.2	5.9	
310	250	Stylo	298		7.0	0.8	3.2	47.0	

SOUTH AFRICANS

68	36	Abercon NPV	46		0.15c		2.7		4.9
£16½	£30	Anglo Am. Ind. R1	£15½		0.225c		2.9	3.6	9.8
718	373	Barlow Rand 10c	675	-10	0.130c		3.0	4.4	7.7
69	55	Gold Fids. P. 2½c	65		0.56c		1.7	12.6	4.6
208	61	New Klein Pyps 25c	201		0.28c		2.5	8.0	5.0
211	173	OK Bazaars 50c	208		0.103c		1.8	9.9	5.6
211	110	SASOL R1	185		0.47½c		2.0	6.0	8.3
433	273	SA Brews 20c	423		0.82c		1.8	4.5	12.3
326	210	Tiger Oats 2c	326		0.43c		2.9	3.1	11.2
310	185	Tongaat-Hulett R1	295		0.94c		2.9	2.8	13.2

TEXTILES

*36	24	Altch Hldgs. 21p	33					
396	313	Allied Textile	395		10.6	2.8	3.6	13.4
336	206	Atkins Bros	284		11.0	2.2	7.1	8.7
280	228	Beales (J.) 20p	248		7.6	3.5	4.3	8.7
90	81	Beckman A 10p	87	-2	94.78	1.5	7.9	11.1
219	195	Brit. Mohair	201xd		8.0	3.2	5.5	7.8
402	263	Courtaulds	385	-3	13.0	2.9	4.3	11.0
255	196	Dawson Int'l	225	-1	8.6	2.9	5.1	12.4
246½	107	Drummond Group	75		3.7	2.8	6.6	6.4
197	129	Early's Witney 10p	195	+8	1.32	0.5	0.9	
141	130	Fagel Trading 5p	135	+2	14.87	2.4	4.8	10.3
*176	128	Fosse (John) 10p	173	+1	5.5	3.4	4.2	8.3
275	185	Gaskell 20p			17.5	4.0	4.3	7.9
115	84	Haggas (John) 10p	96		4.0	3.1		7.6
121	78	Hickling Pestecost	111		2.0	2.9	2.4	18.9
125	97	Ingham(G.) 10p	97		5.0	3.6	4.1	8.6
249	161	Jerome (Hldgs.)	165	+2	7.8	2.9	6.6	6.5
341	240	Kynoch (G. & G.)	240		5.5	4.4	2.8	7.7
284	210	Lancaster Hldgs 10p	264	-1	9.5	3.4	4.8	8.2
317	210	Leeds Grp.	317		8.0	3.8	4.3	8.2
152	150	Listers	145		4.0	2.7	3.7	18.4
*144	43	Lowe (Robert W.)	43	-1	13.5	4.5	6.9	5.5
72	57	Lyles (S.) 20p	71	+1	3.5	2.4	6.6	8.4
250	180	Mackay Hugh	188		7.0	1.9	5.2	13.2
159	58	Palma Group	156		4.0	2.6	2.6	15.6
198	155	Pearl Land 'A'	155		4.0	2.6	2.6	15.6
*62½	30½	Readicut 5p	65½	+½	3.16	2.2	6.4	9.0
*943	720	Richards 10p	930		25.0	2.6	3.8	7.4
*320	250	Jeramyn Invest	258		2.5	3.8	1.3	23.4
103	59	Kentish Prop. 5p	61		3.75	4.0	8.2	4.1
60	25	Key City Prop	38		2.0	4.5	9.5	2.7
561	479	Laing Properties	524	-8	10.25	2.4	2.0	17.0
£204½	£200½	Do 8½ pc Ln 2006-05	£204½	-1	£8½		4.2		
619	539	Land Securities £1	578		14.4	1.4	3.4	27.3	
£101½	£94½	Do. 10pc 1st Mt Deb 2025	£94½	-½	Q10%		10.6		
£101½	£94½	Do. 10pc 1st Db 2030	£94½	-½	Q10%		10.6		
625	423	Leeward Leasse 50c	588	-15	Q6%		5.8		
£103½	£95½	LEPWEST 10pc Db 2012	£98¼		Q10¼		10.4		
157	118	Lond & Edinburgh 10p	154		4.0	4.3	3.9	7.5	
120	97	Do. 6pc Conv. Pref	120		6.0	6.8	5.0		
310	230	Do. 6½pc Cv Pf	280		6.5	2.2	9.3		
197	145	Lon. & Mtrpltn 5p	176		6.2	3.0	4.7	9.4	
*63½	41½	Lon. Securities 15p	45	-1	1.0	6.8	3.0	6.6	
611	517	MEPC	548	-1	14.5	2.7	3.4	9.3	
105	63	Marlborough	98		5.0	2.3	7.4	6.9	
72	60	Metropolitan Estate 50p	68		3.0	2.9	4.3	10.4	
222	190	Mountleigh	222		4.5	3.1	4.2	10.4	
215	195	Do. 8½pc Cv Pf	215		8.5		3.9	17.5	
1033	750	Oestertield	1008		16.0	1.8	2.3	31.8	
137	109	Do. 5.25% Cr. Cn. Pf	131xd		5.25		5.3		
213	121	Osmiale Grp 20p	123	+2	4.0	3.5	4.3	8.9	
213	140	Oxley Gate Est. 50p	184		9.65	3.9	4.3	6.6	
195	125	Parkfield Inv. 5p	195		4.5		3.9	17.5	
197	155	Pillington 10p	175	+2	4.2	2.5	3.7	5.1	
118	98	Do. 7½pc Cn Cr Rd Pf	97	-1	7½%		10.7		
1500	1200	Properties Int. 5p	1415	-10	9.5	17.0	0.9	8	
*54	39	Provost Group 10p	50	-1	1.2		2.5		
1900	1200	Quantrex Est. 5p	1415	-10	9.5	17.0	0.9	8	
*54	39	Provost Group 10p	50	-1	1.2		2.5		
284	185	Rockfax (A. & J.)	288		8.91		4.5	8	
108	85	New Cavendish 5p	91	-1	1.5	0.9	2.4	61.4	
201½	181	Silver Est. Pref 5p	271½		10.0	2.9	3.7	20.6	
241½	171	Slough Estates 5p	233½		10.5	2.9	3.0	15.1	
310	208	Palmerston Hldgs.	305		8.5	1.4	3.7	14.4	
*327	271	Peel Hldgs.	308		10.0	1.8	4.4	10.6	
125	93	Peasant Props. 10p	106	+1	2.1	2.4	5

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar holds after intervention

CO-ORDINATED Central Bank intervention pushed the dollar sharply lower yesterday. This followed a strong message issued after the weekend meeting of the Group of Seven nations which pointed to the dollar as being uncomfortably high at it's recent levels. Central banks declared their intention to take measures to reduce the dollar's strength.

Despite this, many traders were caught unawares yesterday by open dollar sales in Tokyo by the Bank of Japan and the US Federal Reserve, the latter intervening in Tokyo for the first time since the Plaza Accord in September 1985. The Bank of Canada also sold dollars in Tokyo, although on a relatively nominal scale.

The dollar lost about 2.5 per cent of its overall value as central banks made clear their desire to see the US unit well below its current levels. Traders came into the market in London faced with a sharply weaker dollar, but there was little time to ponder because nearly every central bank in Western Europe reinforced the earlier intervention by selling dollars.

The dollar managed to stay above key support at DM1.8850 and Y141.50 but any break through these levels could encourage investors to close out established long dollar positions and encourage further stop loss selling.

The dollar closed at DM1.9055 from DM1.9495 and Y142.65 compared with Y145.60. Despite the weaker tone, the US unit made little attempt to test support levels ar DM1.8850 and Y141.50. Elsewhere in London, the dollar closed at SFr1.6565 from SFr1.6890 and FFr6.4525 compared with FFr6.5925. On Bank of England figures, the dollar's exchange rate index fell to 70.4 from 71.6 on Friday.

Sterling finished towards the day's low but still managed to show an improvement over the US dollar. Attention tended to be focused on the dollar for much of the day as investors hoped that UK investments would be safeguarded by the return offered through high UK interest rates.

Mr Nigel Lawson, the UK Chancellor, stressed that UK rates would remain firm in order to combat inflation, but this failed to make much impression on the pound. Its exchange rate index fell to 91.9, down from 92.1 at the start but still up from Friday's close

Attention is now likely to focus on the release tomorrow of UK trade figures for August. Some traders see this as an opportunity to sell the pound on fears of a worse than expected figure while others feel that the trade data may be better than the £1.4bn current account shortfall expected by most analysts.

Sterling closed at DM3.0650 from DM3.0725 and Y229.50, unchanged from Friday. Elsewhere, it closed at SFr2.6650 from SFr2.6600 and FFr10.3775 from FFr10.3850. In dollar terms, the pound finished at $1.6085 from $1.5755.

The D-Mark benefited more than most from the dollar's decline.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu Sep.25	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	42.4582	43.4283	+2.28	+1.29	±1.5424
Danish Krone	7.85212	8.05674	+2.61	+1.62	±1.6419
German D-Mark	2.05853	2.07158	+0.63	-0.36	±1.1019
French Franc	6.90403	7.01616	+1.62	+0.63	±1.3719
Dutch Guilder	2.31943	2.33676	+0.75	-0.24	±1.5019
Irish Punt	0.768411	0.777500	+1.18	+0.19	±1.6689
Italian Lira	1483.58	1496.35	+0.86	+0.43	±4.0815
Spanish Peseta	133.804	130.804	-2.24	-2.24	-

Changes are for Ecu, therefore positive change denotes a weak currency
Adjustment calculated by Financial Times.

£ IN NEW YORK

Sep 25	Latest	Previous Close
£ Spot	1.6090-1.6100	1.5710-1.5720
1 month	0.63-0.62pm	0.63-0.62pm
3 months	1.90-1.86pm	1.87-1.84pm
12 months	6.28-6.18pm	6.55-6.45pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	Sep.25	Previous
8.30 am	92.1	91.6
9.00 am	92.0	91.5
10.00 am	92.0	91.6
11.00 am	91.9	91.6
Noon	92.0	91.6
1.00 pm	91.9	91.6
2.00 pm	91.9	91.6
3.00 pm	92.0	91.4
4.00 pm	91.9	91.6

CURRENCY RATES

Sep.25	Bank rate %	Special* Drawing Rights	European † Currency Unit
Sterling #	-	1.26488	1.47882
U.S Dollar	7	1.24937	1.08904
Canadian $	12.36	1.47526	1.28104
Austrian Sch.	5	17.0989	14.5888
Belgian Franc	7.75	50.8900	43.4283
Danish Krone	9½	9.44836	8.05674
Deutsche Mark	5.00	2.42865	2.07158
Neth Guilder	6.00	2.73924	2.33676
French Franc	9½	8.21086	7.01616
Italian Lira	13½	1750.40	1496.35
Japanese Yen	3¼	181.971	155.298
Norway Krone	8	8.85928	7.59172
Spanish Peseta	-	151.875	130.043
Swedish Krona	9½	N/A	7.05809
Swiss Franc	5.5	2.10331	1.79801
Greek Drach.	20½	N/A	180.607
Irish Punt	-	N/A	0.777500

\# Sterling quoted in terms of SDR and ECU per £.
† European Commission Calculations.
* All SDR rates are for Sep.22

CURRENCY MOVEMENTS

Sep.25	Bank of England Index	Morgan** Guaranty Changes %
Sterling	91.9	-19.6
U.S Dollar	70.4	-6.2
Canadian Dollar	104.9	+1.4
Austrian Schilling	106.9	+9.6
Belgian Franc	106.1	-6.1
Danish Krone	103.7	-1.7
Deutsche Mark	113.3	+20.2
Swiss Franc	106.8	+15.7
Guilder	110.5	+13.1
French Franc	99.8	-15.4
Lira	99.5	-18.8
Yen	137.7	+65.5

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base Average 1985=100)**Rates are for Sep.22 .

OTHER CURRENCIES

Sep.25	£	$
Argentina	1046.75-1055.15	650.00-655.00
Australia	2.0400-2.0425	1.2655-1.2665
Brazil	5.6275-5.6815	3.5100-3.5270
Finland	6.9440-6.9570	4.3090-4.3110
Greece	264.65-269.10	164.05-166.70
Hong Kong	12.5720-12.5850	7.8030-7.8050
Iran	116.20*	73.75*
Korea(Sth)	1057.75-1074.85	667.40-672.60
Kuwait	0.48110-0.48310	0.29855-0.29955
Luxembourg	64.20-64.30	39.90-40.00
Malaysia	4.3220-4.3330	2.6850-2.6870
Mexico	4154.80-4172.25	2580.00-2590.00
N Zealand	2.6945-2.7005	1.6735-1.6765
Saudi Ar.	6.0430-6.0505	3.7500-3.7510
Singapore	3.1635-3.1690	1.9635-1.9655
S. Af (Cm)	4.4120-4.4230	2.7400-2.7430
S. Af (Fn)	6.3990-6.5285	3.9680-4.0485
Taiwan	41.10-41.20	25.50-25.55
U.A.E.	5.9175-5.9245	3.6720-3.6730

*Selling rate

POUND SPOT- FORWARD AGAINST THE POUND

Sep 25	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.6060-1.6165	1.6080-1.6090	0.65-0.63cpm	4.77	1.89-1.85pm	4.65
Canada	1.8905-1.8985	1.8920-1.8930	0.31-0.21cpm	1.65	0.80-0.58pm	1.46
Netherlands	3.45½-3.46½	3.45½-3.46½	1⅞-1⅝cpm	6.29	5¼-5pm	5.85
Belgium	64.05-64.50	64.20-64.30	29-27cpm	5.23	81-77pm	4.92
Denmark	11.89½-11.93½	11.92¼-11.93¼	4⅛-3⅞orepm	4.15	11⅛-10⅞pm	3.65
Ireland	1.1480-1.1560	1.1490-1.1500	0.40-0.35ppm	3.91	1.10-1.00cm	3.65
W. Germany	3.06¼-3.06¾	3.06¼-3.06¾	1¾-1⅝pfpm	6.61	4⅝-4½pm	5.95
Portugal	256.65-258.55	257.20-258.20	4-22cdis	-0.61	31-74dis	-0.81
Spain	191.60-192.90	192.35-192.65	6-15cdis	-0.65	30-44dis	-0.77
Italy	2211-2214½	2212½-2213½	5-3lirepm	2.17	9-7pm	1.45
Norway	11.21-11.25	11.21¼-11.22¼	3-2⅝orepm	3.01	8⅛-7⅝pm	2.81
France	10.36¼-10.38¼	10.37¼-10.38¼	4⅛-3⅞cpm	4.63	11⅛-10⅞pm	4.26
Sweden	10.42½-10.46	10.43½-10.44½	1⅞-1⅝orepm	2.01	5-4⅝pm	1.84
Japan	229-230½	229-230	1⅝-1½ypm	8.17	4⅝-4½pm	7.95
Austria	21.51-21.60	21.55-21.58	11½-10⅞cpm	6.09	33¼-30¼pm	5.94
Switzerland	2.65½-2.67	2.66-2.67	1⅜-1¼cpm	5.91	3⅞-3¾pm	5.72
ECU	1.4770-1.4800	1.4785-1.4795	0.50-0.47cpm	3.94	1.40-1.35cm	3.72

Commercial rates taken towards the end of London trading. Belgian rate is convertible francs. Financial franc 64.35-64.45 Six-month forward dollar 3.69-3.64cpm 12 Months 6.67-6.57cpm

DOLLAR SPOT- FORWARD AGAINST THE DOLLAR

Sep.25	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.6060-1.6165	1.6080-1.6090	0.65-0.63cpm	4.77	1.89-1.85pm	4.65
Ireland†	1.3975-1.4030	1.3980-1.3990	0.10-0.06cpm	0.69	0.48-0.38pm	1.23
Canada	1.1745-1.1800	1.1770-1.1780	0.29-0.33cdis	-3.16	0.90-1.00dis	-3.23
Netherlands	2.1375-2.1510	2.1500-2.1510	0.28-0.26cpm	1.51	0.67-0.63pm	1.21
Belgium	39.70-40.00	39.90-40.00	2.80-1.20cpm	0.45	4.50-1.50pm	0.30
Denmark	7.38-7.41¾	7.41¼-7.41¾	0.25-0.50oredis	-0.61	1.40-1.80dis	-0.86
W. Germany	1.8945-1.9085	1.9050-1.9060	0.29-0.27pfpm	1.76	0.72-0.69pm	1.48
Portugal	160.15-160.55	160.40-160.50	50-60cdis	-4.12	205-230dis	-5.43
Spain	118.90-119.85	119.75-119.85	51-56cdis	-5.38	156-166dis	-5.40
Italy	1369-1377	1375¾-1376¾	3.00-4.00liredis	-3.05	11.50-12.50dis	-3.49
Norway	6.95¾-6.98¼	6.97½-6.98	0.90-1.15oredis	-1.76	3.00-3.30dis	-1.81
France	6.41½-6.45¾	6.45-6.45½	0.02-0.09cdis	-0.10	0.40-0.50dis	-0.28
Sweden	6.46¾-6.49½	6.48¾-6.49¼	1.35-1.50oredis	-2.64	4.30-4.55dis	-2.73
Japan	142.25-143.10	142.60-142.70	0.42-0.40ypm	3.44	1.23-1.20pm	3.40
Austria	13.37¼-13.41¾	13.41¼-13.41¾	2.00-1.50grospm	1.57	5.70-4.20pm	1.48
Switzerland	1.6430-1.6570	1.6560-1.6570	0.22-0.19cpm	1.49	0.52-0.48pm	1.21
ECU	1.0865-1.0895	1.0865-1.0875	0.08-0.07cpm	0.83	0.27-0.25pm	0.96

Commercial rates taken towards the end of London trading.† UK and Ireland are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 40.00-40.10.

EURO-CURRENCY INTEREST RATES

Sep.25	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	14-13⅞	14-13⅞	13 15/16-13 13/16	13 15/16-13 13/16	14-13 13/16	13¾-13 11/16
US Dollar	9-8⅞	9⅛-9	9-8⅞	9-8⅞	9-8⅞	8 15/16-8 13/16
Can. Dollar	12⅛-11	12⅛-11	12⅛-11	12⅛-11	12⅛-11	11⅞-11⅝
D. Guilder	7⅛-6 15/16	7⅛-7	7 3/16-7 1/16	7¼-7⅛	7⅜-7¼	7 9/16-7 7/16
Sw. Franc	7⅝-7½	7½-7⅜	7 9/16-7 7/16	7 11/16-7 9/16	7⅜-7⅜	7⅝-7½
Deutschmark	7⅛-6 15/16	7⅛-7	7¼-7⅛	7⅜-7¼	7⅝-7½	7 13/16-7 11/16
Fr. Franc	9⅛-8 15/16	9⅛-8 15/16	9 3/16-9 1/16	9⅜-9¼	9 5/16-9 3/16	9 5/16-9 3/16
Italian Lire	12-10	13¼-12¼	12⅛-11⅞	12¼-11⅞	12⅜-12	12½-12⅜
B. Fr. (Fin)	8 11/16-8 9/16	8⅞-8¾	8⅝-8½	8⅜-8¼	8⅜-8¼	8⅜-8¼
B. Fr. (Con.)	8¼-8⅛	8¼-8⅛	8⅜-8¼	9-8⅞	9-8⅞	9-8⅞
Yen	5⅞-5¾	6 1/16-5 15/16	5 11/16-5 9/16	5 13/16-5 11/16	5 13/16-5 11/16	5⅝-5½
D. Krone	10⅛-10	9 13/16-9 11/16	9 13/16-9 11/16	9 13/16-9 11/16	9⅝-9½	9 15/16-9 13/16
Asian $Sing	9-8⅞	9⅛-9	9 1/16-8 15/16	9-8⅞	9-8⅞	8 15/16-8 13/16

Long term Eurodollars: two years 9-8⅞ per cent; three years 9 1/16-8 15/16 per cent; four years 9 1/16-8 15/16 per cent; five years 9⅛-9 per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

Sep.25	£	$	DM	Yen	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
£	1	1.609	3.065	229.5	10.38	2.665	3.460	2213	1.893	64.25
$	0.622	1	1.905	142.6	6.451	1.656	2.150	1375	1.177	39.93
DM	0.326	0.525	1	74.88	3.387	0.869	1.129	722.0	0.618	20.96
YEN	4.357	7.011	13.36	1000.	45.23	11.61	15.08	9643	8.248	280.0
F Fr.	0.963	1.550	2.953	221.1	10.	2.567	3.333	2132	1.824	61.90
S Fr.	0.375	0.604	1.150	86.12	3.895	1	1.298	830.4	0.710	24.11
H Fl.	0.289	0.465	0.886	66.33	3.000	0.770	1	639.6	0.547	18.57
Lira	0.452	0.727	1.385	103.7	4.690	1.204	1.563	1000.	0.855	29.03
C $	0.528	0.850	1.619	121.2	5.483	1.408	1.828	1169	1	33.94
B Fr.	1.556	2.504	4.770	357.2	16.16	4.148	5.385	3444	2.946	100.

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100.

FINANCIAL FUTURES

Short sterling at contract low

DECEMBER SHORT sterling futures temporarily fell through technical support at 86.32 on Liffe yesterday, before closing at 86.34, against 86.37 on Friday.

This was a contract low, leaving the market without further support and vulnerable to further falls, particularly if today's trade figures disappoint.

Volume remained reasonably good, at over 23,000 lots for December delivery. The recent pick up in activity has allowed traders to square short positions and in the present economic climate, with little hope of any base rate reduction in the foreseeable future, this has provided more room for the market to turn bearish again.

December short sterling opened firm at 86.41, reacting to the pound's rise

Sentiment worsened after Mr Nigel Lawson, the Chancellor, indicated to a Washington meeting of the International Monetary Fund that there will be no early easing of UK monetary policy. Dealers also pointed out that the decision of the Bank of England to increase the regular weekly Treasury bill tender, with a supplementary £200m of 9-week bills, could be a taken as another signal that there is no prospect of a rate cut.

LIFFE LONG GILT FUTURES OPTIONS
£50,000 64ths of 100%

Strike Price	Calls-settlements Dec	Calls-settlements Mar	Puts-settlements Dec	Puts-settlements Mar
91	3-32	4-30	0-08	0-12
92	2-41	3-40	0-17	0-22
93	1-55	2-54	0-31	0-36
94	1-12	2-10	0-52	0-56
95	0-46	1-37	1-22	1-19
96	0-27	1-07	2-03	1-53
97	0-15	0-48	2-55	2-30

Estimated volume total. Calls 944 Puts 590
Previous day's open int. Calls 11297 Puts 7937

LIFFE US TREASURY BOND FUTURES OPTIONS
$100,000 64ths of 100%

Strike Price	Calls-settlements Dec	Calls-settlements Mar	Puts-settlements Dec	Puts-settlements Mar
92	4-05	4-42	0-17	1-00
93	3-15	3-62	0-27	1-20
94	2-29	3-22	0-41	1-44
95	1-50	2-50	0-62	2-08
96	1-16	2-18	1-28	2-40
97	0-54	1-55	2-02	3-13
98	0-35	1-31	2-47	3-53

Estimated volume total. Calls 22 Puts 210
Previous day's open int. Calls 2420 Puts 1771

LIFFE BUND FUTURES OPTIONS
DM250,000 points of 100%

Strike Price	Calls-settlements Dec	Calls-settlements Mar	Puts-settlements Dec	Puts-settlements Mar
9250	1.40	1.82	0.16	0.43
9300	1.03	1.49	0.29	0.60
9350	0.71	1.19	0.47	0.80
9400	0.45	0.93	0.71	1.04
9450	0.28	0.71	1.04	1.32
9500	0.16	0.53	1.42	1.64
9550	0.09	0.39	1.85	2.00

Estimated volume total. Calls 856 Puts 1010
Previous day's open int. Calls 12710 Puts 11006

LIFFE £/$ OPTIONS
£25,000 (cents per £1)

Strike Price	Calls-settlements Oct	Calls-settlements Nov	Puts-settlements Oct	Puts-settlements Nov
145	16.00	16.00	0.00	0.06
150	11.00	11.00	0.03	0.34
155	6.00	6.24	0.37	1.20
160	2.40	3.16	1.81	3.12
165	0.61	1.30	5.02	6.26
170	0.09	0.43	9.50	10.39
175	0.01	—	14.42	—

Estimated volume total. Calls 0 Puts 0
Previous day's open int. Calls 216 Puts 25

LIFFE EURODOLLAR OPTIONS
$1m points of 100%

Strike Price	Calls-settlements Dec	Calls-settlements Mar	Puts-settlements Dec	Puts-settlements Mar
9050	0.82	1.10	0.07	0.13
9075	0.61	0.90	0.11	0.18
9100	0.43	0.71	0.18	0.24
9125	0.28	0.56	0.28	0.33
9150	0.17	0.42	0.42	0.45
9175	0.10	0.30	0.60	0.58
9200	0.06	0.21	0.81	0.74

Estimated volume total. Calls 0 Puts 20
Previous day's open int. Calls 1984 Puts 2127

LIFFE SHORT STERLING OPTIONS
£500,000 points of 100%

Strike Price	Calls-settlements Dec	Calls-settlements Mar	Puts-settlements Dec	Puts-settlements Mar
8600	0.55	1.27	0.21	0.22
8625	0.39	1.07	0.30	0.27
8650	0.26	0.90	0.42	0.35
8675	0.17	0.74	0.58	0.44
8700	0.11	0.59	0.77	0.54
8725	0.07	0.46	0.98	0.66
8750	0.04	0.36	1.20	0.81

Estimated volume total. Calls 2599 Puts 1614
Previous day's open int. Calls 26199 Puts 15944

LONDON (LIFFE)

20-YEAR 9% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev.
Sep	94-11			94-06
Dec	94-12	94-12	94-04	94-07

Estimated volume 7259 (8101)
Previous day's open int. 24886 (25236)

7-10 YEAR 9% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev.
Sep				
Dec				

Estimated volume 0 (0)
Previous day's open int. 0 (0)

US TREASURY BONDS 8%
$100,000 32nds of 100%

	Close	High	Low	Prev.
Dec	95-26	96-00	95-21	96-02
Mar	95-21			95-29
Jun				

Estimated volume 2982 (1808)
Previous day's open int. 5177 (4987)

6% NOTIONAL GERMAN GOVT. BOND
DM250,000 100ths of 100%

	Close	High	Low	Prev.
Dec	93.74	94.10	93.73	93.80
Mar	93.89	94.07	93.90	93.95
Jun	93.95			94.00

Estimated volume 33068 (31841)
Previous day's open int. 28191 (28023)

6% NOTIONAL LONG TERM JAPANESE GOVT. BOND
Y100m 100ths of 100%

	Close	High	Low	Prev.
Dec	105.74	105.86	105.67	104.70
Mar	105.24			104.20

Estimated volume 849 (681)
Previous day's open int. 1050 (966)

THREE MONTH STERLING
£500,000 points of 100%

	Close	High	Low	Prev.
Dec	86.34	86.42	86.28	86.37
Mar	87.05	87.17	86.98	87.13
Jun	87.61	87.72	87.56	87.70
Sep	88.05	88.01	88.00	88.10

Est. Vol. (inc. figs. not shown) 27994 (17880)
Previous day's open int. 69916 (68946)

THREE MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev.
Dec	91.25	91.27	91.24	91.28
Mar	91.47	91.51	91.46	91.51
Jun	91.48	91.51	91.48	91.50
Sep	91.38	91.40	91.39	91.38

Est. Vol. (inc. figs. not shown) 4464 (4134)
Previous day's open int. 28129 (27477)

THREE MONTH EUROMARK
DM 1m points of 100%

	Close	High	Low	Prev.
Dec	92.38	92.50	92.35	92.41
Mar	92.51	92.62	92.48	92.58
Jun	92.58	92.74	92.58	92.67
Sep	92.68	92.70	92.70	92.67

Estimated volume 8093 (7210)
Previous day's open int. 18217 (17783)

FT-SE 100 INDEX
£25 per full index point

	Close	High	Low	Prev.
Sep	2365.0	2370.0	2360.0	2372.0
Dec	2407.0	2412.0	2406.0	2415.0
Mar	2451.0			2459.0

Estimated volume 4041 (3062)
Previous day's open int. 28488 (27893)

POUND-$ (FOREIGN EXCHANGE)

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.6085	1.6021	1.5898	1.5719	1.5423

IMM-STERLING $s per £

	Latest	High	Low	Prev.
Dec	1.5930	1.5950	1.5900	1.5552
Mar	1.5700	1.5750	1.5700	1.5372
Jun	-	1.5600	-	1.5224

CHICAGO

U.S. TREASURY BONDS (CBT) 8%
$100,000 32nds of 100%

	Latest	High	Low	Prev.
Dec	95-24	96-03	95-20	96-07
Mar	95-21	95-28	95-17	96-02
Jun	95-13	95-20	95-12	94-28
Sep	-	-	-	95-17
Dec	95-00	95-00	94-27	95-10
Mar	94-25	94-25	94-21	95-02
Jun	94-14	94-14	94-14	94-28
Sep	-	-	-	-
Dec	-	-	-	94-17
Mar	-	-	-	94-12
Jun	-	-	-	-

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev.
Dec	92.54	92.56	92.51	92.62
Mar	92.72	92.75	92.72	92.79
Jun	92.72	92.72	92.72	92.76
Sep	-	-	-	92.66

SWISS FRANC (IMM)
SFr 125,000 $ per SFr

	Latest	High	Low	Prev.
Dec	0.6074	0.6075	0.6063	0.5925
Mar	0.6094	0.6091	0.6082	0.5941
Jun	-	0.6120	-	0.5961

JAPANESE YEN (IMM)
Y12.5m $ per Y100

	Latest	High	Low	Prev.
Dec	0.7058	0.7068	0.7050	0.6906
Mar	0.7115	0.7124	0.7105	0.6962
Jun	-	0.7175	-	0.7013

DEUTSCHE MARK (IMM)
DM125,000 $ per DM

	Latest	High	Low	Prev.
Dec	0.5272	0.5276	0.5263	0.5139
Mar	0.5285	0.5287	0.5275	0.5152
Jun	-	-	-	0.5164

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev.
Dec	91.25	91.25	91.23	91.30
Mar	91.48	91.49	91.47	91.53
Jun	91.49	91.50	91.46	91.52
Sep	91.38	91.40	91.35	91.41
Dec	91.15	91.17	91.14	91.19
Mar	91.17	91.19	91.16	91.22
Jun	91.18	91.19	91.17	91.23
Sep	91.19	91.20	91.18	91.24

STANDARD & POORS 500 INDEX
$500 times index

	Latest	High	Low	Prev.
Dec	350.45	350.80	350.45	351.60
Mar	355.00	355.00	355.00	356.00
Jun	-	-	359.40	360.30

PHILADELPHIA SE £/$ OPTIONS
£31,250 (cents per £1)

Strike Price	Calls Oct	Calls Nov	Calls Dec	Calls Mar	Puts Oct	Puts Nov	Puts Dec	Puts Mar
1.500	10.90	10.85	10.90	10.92	-	-	-	2.05
1.525	8.40	8.44	8.65	8.98	0.09	0.58	-	2.83
1.550	6.04	6.32	6.67	7.18	-	1.09	1.98	3.80
1.575	3.96	4.50	4.99	5.62	0.80	1.86	2.81	4.94
1.600	2.28	3.01	3.61	4.42	1.66	2.83	4.01	6.29
1.625	1.26	2.03	2.55	3.37	2.96	4.27	5.47	7.80
1.650	0.48	1.26	1.82	2.53	4.79	5.99	7.15	9.46

Previous day's open int: Calls N/A Puts N/A (All currencies)
Previous day's volume: Calls N/A Puts N/A (All currencies)

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Notice is hereby given that, pursuant to the provisions of the Articles of Incorporation of the Company, September 30, 1989, (because such date falls on Saturday and is a Bank Holiday, it is in effect as of September 29, 1989, Japan Time) is the Record Date for determining those Shareholder or Pledgees who shall receive Interim dividend.

Bank of Tokyo International Limited
(London Depositary)
26th September, 1989

Northern Ireland

The Financial Times proposes to publish this survey on:

October 1989

For a full editorial synopsis and advertisement details, please contact:

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(fax 061 832 9248)

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Queen Street,
Manchester M2 5HT

JOTTER PAD

MONEY MARKETS

London rates firmer

FIXED PERIOD rates nudged higher on the London money market yesterday and overnight funds held firm at around 14 per cent, as it seemed the Bank of England had not taken out the full underlying credit shortage.

Three-month sterling interbank rose to 13 29/32-13 25/32 per cent from 13 13/16-13⅞ per cent, on the UK Chancellor's comments, appearing to end any lingering hopes of an early cut in base rates. *Nervousness increased* ahead of today's figures on the August UK trade position.

UK clearing bank base lending rate 14 per cent from May 24

The Bank of England initially forecast a credit shortage of £300m, but revised this to £350m at noon, and back to £300m in the afternoon. Total help of £262m was provided. The authorities did not operate in the market before lunch, but in the afternoon bought £112m bank bills in band 1 at 13¾-13 25/32 per cent. Late assistance of around £150m was also provided.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained £690m, with Exchequer transactions absorbing £5m, and bank balances below target £110m. These factors outweighed a fall in the note circulation adding £190m to liquidity.

In New York the Federal Reserve's action, adding liquidity via four-day system repurchase agreements, was slightly more aggressive than expected, but the move appeared to have no policy significance. Federal funds were trading at 9 3/16 per cent at the time, above the Feds target of 9 per cent.

In Frankfurt call money was unchanged at 6.90 per cent, as banks took a cautious view of the last trading week of September. The Bundesbank announced a provisional reserve requirement for the month of DM55.8bn, well below expectations of around DM57bn, but this did not lead to a flood of surplus liquidity on the money market.

Banks' reserve holdings for *the first 21 days of the month* - up to and including last Thursday - averaged DM58.7bn, but are now probably on a downward slide. Seasonal tax payments are likely to drain funds from the banking system this week and money will also leave the market on Wednesday when a securities repurchase agreement of DM9.5bn expires.

The Bundesbank will probably offer another repurchase pact today, but another uncertainty is the impact of central bank intervention to support the D-Mark against the dollar. When the Bundesbank buys D-Marks on the foreign exchanges it has the effect of reducing the amount of money in circulation domestically.

FT LONDON INTERBANK FIXING

(11.00 a.m. Sep.25) 3 months US dollars		6 months US Dollars	
bid 8⅞	offer 9	bid 8⅞	offer 9

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime) — Treasury Bills and Bonds

Prime rate	10½	One month	7.63	Three year	8.33
Broker loan rate	10½	Two month	8.08	Four year	8.33
Fed. funds	9⅛	Three month	8.04	Five year	8.27
Fed. funds at intervention	9⅛	Six month	8.20	Seven year	8.32
		One year	8.30	10-year	8.27
		Two year	8.39	30-year	8.25

Sep.25	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	6.85-6.95	6.95-7.10	7.10-7.25	7.20-7.35	7.30-7.50	7.00
Paris	8 15/16-9 1/16	9¼-9⅜	9¼-9⅜	9¼-9⅜	9⅜-9½	8.75
Zurich	6½-6¾	7¼-7⅜	-	7½-7⅝	-	-
Amsterdam	6.80-6.95	7.38-7.43	-	7.55-7.65	-	-
Tokyo	5 11/16-5 13/16	5 13/16-5 15/16	-	5⅝-5⅞	-	-
Milan	12¼-12½	12⅝-12⅞	-	12¾-12⅞	-	-
Brussels	-	-	-	-	-	-
Dublin	9¼-9¾	9½-9¾	10¼-10⅝	10¼-10½	10½-10¾	-

LONDON MONEY RATES

Sep.25	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	14½	14	14	14	14	13⅞
Interbank Bid	13⅞	13⅞	13⅞	13⅞	13⅞	13⅝
Sterling CDs	-	-	13 15/16	13 15/16	13 15/16	13 15/16
Local Authority Deps.	13⅞	13⅞	13⅞	13⅞	13⅞	13⅞
Local Authority Bonds	-	-	-	-	-	-
Discount Mkt Deps.	14¼	13⅞	13¾	13½	-	-
Company Deposits	-	-	14	14	14	13⅞
Finance House Deposits	-	-	13 15/16	13 15/16	13 15/16	13 15/16
Treasury Bills (Buy)	-	-	13 13/16	13 11/16	-	-
Bank Bills (Buy)	-	-	13 13/16	13¾	13¾	-
Fine Trade Bills (Buy)	-	-	14 5/16	14¼	13 15/16	-
Dollar CDs	-	-	8.95	8.90	8.90	8.80
SDR Linked Dep Offer	-	-	8⅝	8⅝	8⅝	8⅝
SDR Linked Dep Bid	-	-	8⅜	8⅜	8⅜	8⅜
ECU Linked Dep Offer	-	-	9¾	9 13/16	10	10
ECU Linked Dep Bid	-	-	9⅝	9 11/16	9⅞	9⅞

Treasury Bills (sell); one-month 13⅝ per cent; three months 13 11/32 per cent; Bank Bills (sell): one-month 13 11/16 per cent; three months 13 11/16 per cent; Treasury Bills; Average tender rate of discount 13.4431 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day August 31, 1989. Agreed rates for period September 26 to October 24, 1989, Scheme I: 14.76 p.c., Schemes II & III: 15.16 p.c. Reference rate for period August 1 to August 31, 1989, Scheme IV&V: 13.880 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 14 from September 1, 1989: Bank Deposit Rates for sums at seven days notice 4 per cent. Certificates of Tax Deposit (Series 6); Deposit £100,000 and over held under one month 10½ per cent; one-three months 12 per cent; three-six months 12 per cent; six-nine months 12 per cent; nine-twelve months 12 per cent; Under £100,000 10½ per cent from May 25,1989. Deposits withdrawn for cash 5 per cent.

BASE LENDING RATES

	%		%		%
ABN Bank	14	Clydesdale Bank	14	NatWestminster	14
Adam & Company	14	Comm.Bk.N.East	14	Northern Bank Ltd	14
Allied Trust Bank	14	Co-operative Bank	*14	Norwich Gen. Trust	14
Allied Irish Bank	*14*	*Coutts & Co*	*14*	*PRIVATbanken Limited*	*14*
● Henry Ansbacher	14	Cyprus Popular Bk	14	Provincial Bank PLC	15
Associates Cap Corp	14	Dunbar Bank PLC	14	R. Raphael & Sons	14
Authority Bank	14	Duncan Lawrie	14	Roxburghe G'rantee	14½
● B & C Merchant Bank	14	Equatorial Bank plc	14	Royal Bk of Scotland	14
Bank of Baroda	14	Exeter Trust Ltd	14½	Royal Trust Bank	14
Banco Bilbao Vizcaya	14	Financial & Gen. Bank	14	● Smith & Williman Secs.	14
Bank Hapoalim	14	First National Bank Plc.	15	Standard Chartered	14
Bank Credit & Comm.	14	● Robert Fleming & Co.	14	TSB	14
Bank of Cyprus	14	Robert Fraser & Ptnrs.	14½	United Bk of Kuwait	14
Bank of Ireland	14	Girobank	14	United Mizrahi Bank	14
Bank of India	14	● Guinness Mahon	14	Unity Trust Bank Plc	14
Bank of Scotland	14	HFC Bank plc	14	Western Trust	14
Banque Belge Ltd	*14*	● Hambros Bank	*14*	*Westpac Bank Corp.*	*14*
Barclays Bank	14	Hampshire Trust Plc	14½	Whiteaway Laidlaw	14
Benchmark Bank PLC	14	Heritable & Gen Inv Bnk	14	Yorkshire Bank	14
Brit Bk of Mid East	14	● Hill Samuel	§14		
● Brown Shipley	14	C. Hoare & Co.	14		
Business Mtge Bank	14½	Hongkong & Shangh	14		
CL Bank Nederland	14	● Leopold Joseph & Sons	14		
● Charterhouse Bank	14	Lloyds Bank	14		
Citibank NA	14	Meghraj Bank Ltd	14		
City Merchants Bank	*14*	*McDonnell Douglas Bnk*	*14*		
		Midland Bank	14		
		Mount Banking	14		
		Nat Bk. of Kuwait	14		

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EUROPEAN OPTIONS EXCHANGE

Series		Oct. 89 Vol	Oct. 89 Last	Jan. 90 Vol	Jan. 90 Last	Apr. 90 Vol	Apr. 90 Last	Stock
EOE Index C	Fl. 310	52	11.70	-	-	-	-	Fl. 319.12
EOE Index C	Fl. 315	486	8 b	-	-	-	-	Fl. 319.12
EOE Index C	Fl. 320	340	4.90	-	-	5	19.70	Fl. 319.12
EOE Index C	Fl. 325	483	3	-	-	-	-	Fl. 319.12
EOE Index C	Fl. 330	258	1.50	32	8.50	-	-	Fl. 319.12
EOE Index P	Fl. 290	-	-	95	2.30	-	-	Fl. 319.12
EOE Index P	Fl. 300	18	0.50	320	3.70	-	-	Fl. 319.12
EOE Index P	Fl. 310	45	1.50	10	5.50	-	-	Fl. 319.12
EOE Index P	Fl. 315	435	2.70	-	-	-	-	Fl. 319.12
EOE Index P	Fl. 320	130	4.90	69	9 b	4	12.30	Fl. 319.12
EOE Index P	Fl. 325	327	7.90	-	-	-	-	Fl. 319.12
EOE Index P	Fl. 340	-	-	55	20.50 b	-	-	Fl. 319.12

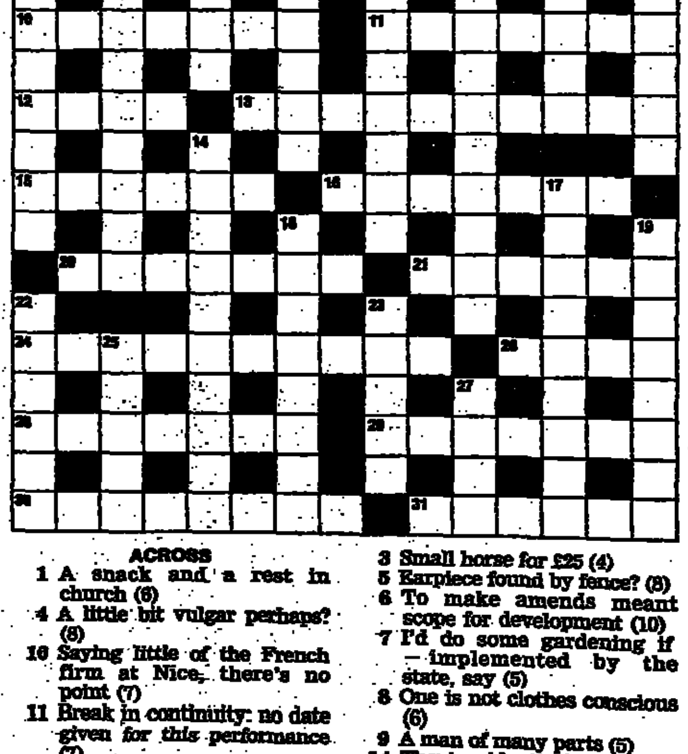
		Oct. 89		Nov. 89		Dec. 89		
S/Fl C	Fl. 210	34	6.30	42	7	299	8	Fl. 215.05
S/Fl C	Fl. 215	370	2.90	138	4.20	428	5	Fl. 215.05
S/Fl C	Fl. 220	72	1.10	37	2.40	227	3	Fl. 215.05
S/Fl C	Fl. 225	59	0.50	10	1.40	37	1.70	Fl. 215.05
S/Fl C	Fl. 230	80	0.40 a	-	-	70	0.90	Fl. 215.05
S/Fl P	Fl. 210	95	1.45	119	2.30	129	3.40	Fl. 215.05
S/Fl P	Fl. 215	170	3 a	30	4.20	163	5.20	Fl. 215.05
S/Fl P	Fl. 220	293	6.20	5	7.20	47	8 b	Fl. 215.05
S/Fl P	Fl. 225	37	11	102	10.80 b	106	11.50	Fl. 215.05

		Oct. 89		Jan. 90		Apr. 90		
ABN C	Fl. 45	88	0.60	102	2.20	38	3	Fl. 43.70
ABN P	Fl. 45	39	1.50	20	2.10	25	2.30	Fl. 43.70
Aegon P	Fl. 105	-	-	-	-	80	1.80	Fl. 114.30
Ahold C	Fl. 125	68	12.80	-	-	-	-	Fl. 137.50
Ahold P	Fl. 140	203	5	-	-	-	-	Fl. 137.50
Akzo C	Fl. 150	91	1	354	4.30	30	8.50	Fl. 143.20
Akzo P	Fl. 150	325	7.40	309	8.70	4	9.50 a	Fl. 143.20
Amev C	Fl. 60	-	-	62	2.40	-	-	Fl. 56.60
Amro C	Fl. 90	2	0.50	37	2.60 a	-	-	Fl. 84.90
Amro P	Fl. 90	273	5.10	-	-	-	-	Fl. 84.90
DAF N.V. C	Fl. 55	48	0.90	33	3.50	-	-	Fl. 53.70
N.V. DSM C	Fl. 125	214	4.90	28	10.10	-	-	Fl. 127.50
N.V. DSM P	Fl. 125	103	1.60	25	4.20	-	-	Fl. 127.50
Elsevier C	Fl. 75	4	5.80	202	7.50	-	-	Fl. 80
Gist-Broc. C	Fl. 35	174	1.50	124	3.20	11	4.60	Fl. 35.50
Gist-Broc. P	Fl. 35	77	0.50	41	1.70	10	2.30	Fl. 35.50
Heineken C	Fl. 140	47	3.50	1	7.80	12	10.90	Fl. 140.50
Hoogovens C	Fl. 100	1102	4.50	248	9.50 b	64	13.20	Fl. 101
Hoogovens P	Fl. 95	186	1.30	86	3.70	7	5.50	Fl. 101
KLM C	Fl. 55	419	0.80	302	3.20	31	4.60	Fl. 53.60
KLM P	Fl. 50	9	0.20	40	1.20	263	2.10	Fl. 53.60
KNP C	Fl. 65	220	0.20	-	-	5	1.80	Fl. 55.20
KNP P	Fl. 55	244	1.20	78	2.50	25	4	Fl. 55.20
NEDLLOYD C	Fl. 92	330	4.20	-	-	-	-	Fl. 93.90
NEDLLOYD P	Fl. 84	5	0.40	50	1.80	-	-	Fl. 93.90
Nat.Ned. C	Fl. 70	134	3.50	25	5.90	5	7.60	Fl. 72.80
Nat.Ned. P	Fl. 70	10	0.60	215	1.50	-	-	Fl. 72.80
Philips C	Fl. 50	347	1	747	2.40	253	3.70	Fl. 48.30
Philips P	Fl. 50	17	2.30	88	3.30	18	4.80	Fl. 48.30
Royal Dutch C	Fl. 150	898	2.10	219	6.30	41	9.40	Fl. 147.70
Royal Dutch P	Fl. 150	83	3.50	694	5.60	22	6.50	Fl. 147.70
Unilever C	Fl. 140	170	19	43	20.30	-	-	Fl. 157.90
Unilever P	Fl. 160	43	3.40	317	5.80	-	-	Fl. 157.90
Van Ommeren C	Fl. 40	-	-	53	1.60	26	2.50	Fl. 35.50
Van Ommeren P	Fl. 35	70	0.90	20	2.10	33	2.90	Fl. 35.50
Wessanen C	Fl. 90	10	0.70	69	2.80	3	5.30	Fl. 84.60
Wessanen P	Fl. 85	-	-	42	3.20	-	-	Fl. 84.60

TOTAL VOLUME IN CONTRACTS : 35,650
A=Ask B=Bid C=Call P=Put

CROSSWORD

No.7,047 Set By MUTT



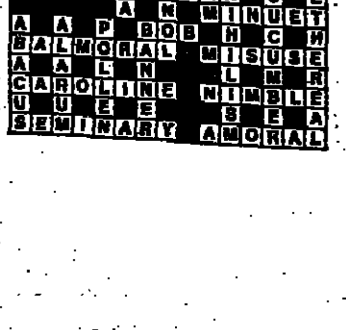
ACROSS

1 A snack and a rest in church (6)
4 A little bit vulgar perhaps? (8)
10 Saying little of the French firm at Nice, there's no point (7)
11 Break in continuity: no date given *for this* performance (7)
12 Girl with article slipped in the mire (4)
13 Evergreen gives us no fir-cone (10)
15 Come to grips with seaweed (6)
16 Brisk *about small* relative; keep at it (7)
20 Amaze a number going after accommodation (7)
21 Reception given by "in" people? (2-4)
24 Provoke former champion, putting second in charge (10)
26 Miss going to hop (4)
28 Changing diapers can give one that hopeless feeling (7)
29 Some may be right in a draught (7)
30 It's silly to put three points after name in feature (8)
31 What's ridiculous is getting egghead to wrap up (6)

DOWN

1 Friendship after a state of disaster (8)
2 Oil-can I dropped, confused about having to reverse by night (9)
3 Small horse for £25 (4)
5 Earpiece found by fence? (8)
6 To make amends meant scope for development (10)
7 I'd do some gardening if — implemented by the state, say (5)
8 One is not clothes conscious (6)
9 A man of many parts (5)
14 They're identical nevertheless (3,3,4)
17 Retailer, about 50, taking note of current prices (5-4)
18 Given beer, cur's becoming hellish guard dog (8)
19 Sympathetic reaction to one press review (8)
22 Continue nursing ligament (6)
23 Prevents stains showing up (5)
25 A side issue? It's a flaming crime (5)
27 Pull a number: green (4)

Solution to Puzzle No.7,046



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WORLD STOCK MARKETS

AUSTRIA

September 25	Sch	+ or −
Austrian Airlines	2,950	—
Creditanstalt	3,850	+150
Goesser	5,580	+230
Interunfall	23,050	+150
Jungbunzlauer	18,700	-50
Laenderbank	585	+10
Perlmooser	1,530	+30
Reininghaus	2,590	+40
Semperit	225	-1
Steyr-Daimler	152	+7
Veitscher Mag	1,078	+21
Verbund	180	—

BELGIUM/LUXEMBOURG

September 25	Frs.	+ or −
Arbed	6,900	+150
B.B.L.	3,560	+20
Banq Intl. a'Lux	25,500	—
Banque Gen. Du. Lux	14,600	+100
Banque Nat. Belg	38,475	-25
Bekaert B	15,350	-150
Ciment CBR	8,200	—
Cobepa	6,280	—
Do. AFV I	6,200	—
Cockerill	264	-6
Colruyt	19,100	+125
Delhaize	6,490	-40
EBES	4,468	—
Do. AFV I	4,440	-10
Fabrique Nat.	724	-2
GIB Group	1,510	+5
Do. AFV	1,520	-10
GBL(Brxl)	4,785	-15
Do. AFV 1	4,790	+10
Do. AFV 2	4,785	+5
Gechem	1,142	+24
Do. AFV	1,070	-4
Generale Bank	6,230	-10
Do. AFV 1	6,370	-10
Do. AFV 2	6,620	-170
Gevaert	8,790	-30
Hoboken	28,950	+2,950
Do. AFV	26,000	+2,000
Intercom	3,675	—
Do. AFV 1	3,630	-15
Do. AFV 2	3,630	-15
Kredietbank	6,800	-50
Do. AFV	4,615	-175
Pan Holdings	14,750	—
Petrofina	12,900	+200
Raffinerie Tirle	2,850	+40
Royale Belge	5,930	—
Do. AFV 1	5,860	-40
Do. AFV 2	5,900	-50
Soc Gen Belge	3,575	-35
Do. AFV	3,525	+25
Sofina	13,950	-25
Solvay	14,700	+250
Stanwick Intl	180	—
Tessenderlo	9,010	+200
Do. AFV	8,800	+180
Tractebel	9,910	+10
Do. AFV 1	9,850	+50
Do. AFV 2	9,870	—
UCB	14,450	+550
Do. AFV	13,700	+200
Baerg	2,615	-10
Do. AFV 1	2,625	—
Do. AFV 2	2,620	—
Wagons Lits	9,350	+10
Do. AFV	8,500	—

DENMARK

September 25	Kr	+ or −
Baltica Hldgs	532.9	—
Carlsberg	1328.2	-0.4
Cop Handelsbank	296.7	-0.2
Danisco	874.9	-0.1
Den Danske Bank	377.2	-1
East Asiatic	280 xr	-2.4
FLS Inds. B	3475.5	—
GN Great Nordic	804.1	-1.4
I.S.S. B Systems	819.5	-0.7
Jyske Bank	425	+0.5
Nordisk Kabel	501.9	+1.4
Novo Nordisk	327.8	-1.2
Privatbanken	299.3	-0.4
Royal C'hagen A	450	—
Sophus Berendsen	1251.1	-6.9
Superfos	5,250	+1.7

FINLAND

September 25	Mka	+ or −
Amer	149	-2
Cultor	88.5	-3.5
Enso-Gutzeit A	30.9	-1.75
Enso-Gutzeit R	24.5	-0.1
Huhtamaki I Free	84	+4.5
Huhtamaki K Free	154.5	+1.5
KOP	55.5	+0.5
Kone	560	+39.5
Kymmene	106.5	-3.5
Nokia	101	-1.5
Pohjola 'B'	81.5	+1.25
Rauma-Repola	36.25	—
Sampo	417	-4
Stockmann 'B'	234.5	+1
UBF'C'	27.8	-1.65
Utd. Paper Prf.	114	—
Wartsila (11)	362.5	—

FRANCE

September 25	Frs.	+ or −
Accor	860	-17
Afrique Occiden	678	+16
Air Liquide	682	+2

FRANCE (continued)

September 25	Frs.	+ or −
Arjomari-Prioux	3,101	+1
Auxiliaire d'Ent	1,092	-6
BIC	809	+27
BSN	738	-7
Bancaire Cie	634	+2
BNP (Cert.Inv.)	425	-5
Beghin-Say	689	-11
Do. Certs	468	-7
Bongrain	3,350	+40
Bouygues	740	—
CMB Packaging	253	-3
Carrefour	3,658	+43
Casino	228	-8
Cetelem	690	+8
Chargeurs	1,155	-13
Clemens Fr.	1,825	+5
Club Mediterranee	646	-9
Coflexip	362	-8
Cogifi	400	+0
CGE	487.5	-5.6
Coparex	335	-27
Cred Foncier Fr	1,025	+14
Credit National	1,199	+1
Darty	3,970	-30
Docks de France	4,910	-240
Dollfus-Mieg	623	-11
Dumez S.A.	1,109	-6
Eaux (Cie Gen)	2,166	-6
Ecco	645	-5
Electrofinance	1,166	-5
Elf-Aquitaine	538	-6
Do. Certs	421	+2
Epeda-Bertrand	1,360	+10
Essilor	3,375	-5
Eternit (Fin.)	2,850	-25
Eurafrance	2,508	+39
Eurocom	1,800	—
Euromarche	3,535	+40
Exor	1,630	-15
Finextel	211	-4
Fonciere Lyonn	748	+3
Fromageries	2,510	+4
GTM-Entrepose	1,380	-20
Gaumont (Soc N)	645	-5
Gen Geophysique	902	+2
Gen. Occidentale	696	-6
Hachette	437	-1
Havas	1,181	-1
Imetal	390	-13
Immeubles de Fr	1,328	-1
Immobanque	720	—
Industrielle	14,330	-10
Interbail	529	+4
Intertechnique	1,790	+40
LVMH	4,595	-39
Lafarge Coppee	1,808	-10
La Henin	720	-5
L'Oreal	4,480	—
Legrand	3,850	+10
Locafrance	548	+8
Lyonn. des Eaux	519	+3
Maisons Phenix	88	—
Matra S.A.	422	+8
Merlin-Gerin	4,738	-80
Michelin B	188	+7
Midi (Cie)	1,413	-17
Moulinex	150	-1
Navigation Mixt	1,262	-4
Nord Est	206	+3
Nouvelle Galer.	702	-22
OFP	1,705	+4
Orsan	421	+1
Paribas	511	-2
Paris Reescompte	493	-13
Pechelbronn	1,505	-17
Pernod Ricard	1,500	-10
Perrier	1,800	—
Peugeot S.A.	911	-2
Poliet	790	+1
Pretabail Sicomi	1,140	-8
Printemps Au	874	+24
Promodes	4,200	+10
Radiotech	667	-8
Redoute	4,005	-155
Rhone-Poul (Ctf)	561	+1
Roussel-Uclaf	2,400	+156
SILIC	822	-17
Sagem	1,992	-27
St. Gobain	704	-7
Saint Louis	1,525	-48
Sanofi	1,066	-23
Schneider	890	-10
Seb SA	1,054	-9
Sefimeg	511	-1
Simco	597	-4
Skis Rossignol	1,321	-14
Soc. Gen. de Fr	533	-5
Sommer-Allibert	2,875	+25
Spie-Batignolles	768	—
Suez (Fin de)	384	-4
Taittinger	4,200	+50
TRT	1,581	-2
Thomson (CSF)	191	-3
Total-Petroles Fr.	540	-9
UFB Locabail	609	+11
Unibail	805	-10
Union Immob Fr	630	+5
Valeo	903	-8
Vallourec	463	-9

GERMANY

September 25	Dm.	+ or −
AEG	261.4	-3.1
AG Ind & Verkehr	727	+2
Aachener Muench	948	-2
Allianz AG	2,182	+18
Altana	447	-2.5
Asko Deutsche K	905	+1
Do. Prf.	785	+3
BASF	294.2	+0.7
Badenwerk	224.5	+2

GERMANY (continued)

September 25	Dm.	+ or −
Bayer	307	-0.7
Bayer-Hypo	415	+5
BMW	636.5	+7.5
Bayer-Verein	390	—
Beiersdorf	678.5	-0.5
Berliner Kraft	125.2	-0.8
BHF-Bank	429	-2
Bilfinger & Berg	560	—
Brown Boveri	648	—
Colonia Versich	1,290	+30
Do. Pref.	1,150	+25
Commerzbank	263	+4
Continental AG	326	+6.5
DLW	634	+14
Daimler-Benz	796	+1.2
Deckel (Fr.)	234.8	+4.8
Degussa	548	-4.5
Deutsche Babcock	214	+2
Deutsche Bank	698	—
Didier-Werke	285	+1
Douglas Hldgs	781	-5
Dragerwerk	325.5	+4
Dresdner Bank	363.8	+3.8
Fag Kugelfischer	428	-2
Feldmuehle Nobel	493	+13.5
Gerresheimer	299	+4
Goldschmidt (TH)	480.5	+3.5
Hamburg Elekt	164	+4
Hapag Lloyd	350	—
Harpener	485	+5
Heidelberger Zem	1,105	+30
Henkel Pref.	577.5	+0.5
Herlitz	273	-3
Hochtief	947	+17
Hoechst	296.5	-0.6
Hoesch	274.2	+5.4
Holzmann (P)	1,100	—
Horten	317.7	+2.7
Industriekredit	257	+2
Industrie Werke	340.5	+1.5
Kali & Salz	241.5	-0.5
Karstadt	683	+12.2
Kaufhof	582	+2
KHD	210.5	+1.5
Kloeckner Werke	181	+5
Kraft Werke-Rh	325	—
Lahmeyer	1,050	+20
Leifheit	620	+5
Linde	845	+6
Lufthansa	232	+2.5
Do. N/V Pref.	174	—
MAN	382	+1
Do. Pref.	309	+3.5
Mannesmann	280	+0.7
Mannheimer Vers	1,035	—
Mercedes Hld	666	+2
Metallgesell	490.1	+1.1
Munich Rueck	2,640	+40
Nixdorf	374.8	+4.8
PWA	320	+2
Philips Kommun.	374.5	-0.5
Porsche	880	+7
Preussag	351	+10
Rheinelektra	1,775	+35
Rhein West. Elect	349.5	+0.3
Do. Pref.	290	+0.5
Rheinmetall Berl	451	-3
Do. Pref.	321	—
Rosenthal	344	+2
Schering	804.5	-5
Schmalbach-Lab	180	+2
Siemens	622	+7
Springer Vlg Rg	565	+5
Sud-Chemie	710	—
Thyssen	249	+1
Varta	424	-1
Veba	363.5	—
V.E.W.	185.5	+0.5
Verein-West	448	-2
Viag	337.5	-1
Volkswagen	476	+1.5
Do. Pref.	407.8	-0.2
Wella Pref.	684.5	-2.5
Zanders Feln'pier	321	-4

ITALY

September 25	Lire	+ or −
Banca Com'le	5,440	-55
Banca Naz Agric	10,980	-200
Banca Lariano	5,559	-41
Bastogi-IRBS	414	-4
Burgo (Cartiere)	16,800	-40
CIR	5,820	-50
Caffaro	1,475	-25
Cementir	3,585	-15
Cigahotel	4,300 xr	+80
Cofide	5,100 xa	-50
Credito Italiano	2,772	-78
Danieli	8,850	-30
Eridania	7,720	-125
Fiat	11,650	+28
Do. Priv.	7,390	+10
Fidis	8,250	-150
Fondiaria	62,400	+900
Gemina	2,450	-49
Generali Assicur	45,400	-110
Gilardini Inds	5,560	-100
IFI Priv.	26,460	+130
Italcable	15,600	+89
Italcementi	132,300	-1,200
Italgas	2,730	-10
Lloyd Adriatico	19,200	—
Magneti Marelli	2,190 xr	+2
Mediobanca	28,300	-480
Mira-Lanza	58,000	-50
Montedison	2,355	-25
Olivetti	8,700 xr	-1
Pirelli Co	9,380	-35
Pirelli Spa	3,710	-5
Rinascente La	7,810	+25
RAS	30,195	-635
SIP	3,601	+16

ITALY (continued)

September 25	Lire	+ or −
Saffa A	11,260	-90
Saipem	2,590	+41
SASIB	5,677	+20
Siossigeno	45,400	—
Stet Spa	11,200	-5
SME	1,540	+30
Snia BPD	3,320	-13
Toro Assicur	22,700	-50
Tosi Franco	31,120	+820
Unicem	26,990	-160

NETHERLANDS

September 25	Fls.	+ or −
ACF Holding	46.20	+0.2
AEGON	114.40	-0.7
Ahold	157.30	+0.3
AKZO	143.00	-1.3
ABN	43.70	-0.3
AMEV	56.60	-0.1
AMRO	84.90	-0.1
Bols Lucas	178.50	+1.5
Borsumij Wehry	123.00	+1
Boekerman-Tel	71.90	-0.4
Center Parcs	64.50	—
Centrale Suiker	78.30	-0.6
DAF	93.70	-0.5
DSM	127.10	+0.1
Dordtsche Petroleum	136.0 xc	—
Elsevier	80.00	—
Fokker	49.30	-0.3
Gamma	90.00	—
Gist Brocades	35.60	-0.4
Heineken	140.30	+0.6
Holl. Beton	239.00	-0.2
Hoogovens	100.40	—
Hunter Douglas	117.00	-1
IHC Caland	39.20	+0.7
Int Mueller	97.30 xr	-0.2
KLM	53.50	-0.6
Kempen	17.30	—
KNP	55.4	-0.4
Nat Ned Cert.	73.00	-0.2
Ned Mid Bank	275.00	-0.5
Nedlloyd	93.70	+0.7
Nijverdal-Ten C.	96.80	-0.5
Nutricia Ver B.	82.00	-0.5
Oce Grinten	335.00	-2.5
Ommeren (Van)	35.50	-0.2
Pakhoed	144.50	-0.5
Philips	48.20	-0.2
Robeco	111.40	-0.7
Rodamco	81.10	-0.2
Rolinco	112.70	-0.4
Rorento	61.40	-0.2
Royal Dutch	147.50	-2
Unilever	157.80	-1.5
VMF Stork	44.50	+0.5
VNU	115.00	+3
Wessanen	84.80	-0.7
Wolters Kluwer	48.40	-0.3

NORWAY

September 25	Kroner	+ or −
Aker	120.00	+5
Bergen Bank	216.00	+3.5
Bergesen B	341.00	-3
Christiania Bk	138.50	+3.5
Den Norske Credit	141.50	+2.5
Dyno Ind.	94.00	—
Elkem	260.00	-5
Hafslund Nyco A	152.00	+0.5
Kosmos	241.00	—
Kvaerner	167.00	—
Nora Industrier	301.00	—
Norsk Data A	43.00	+1
Norsk Hydro	155.00	—
Orkla Borregaard	423.0	—
Storebrand	105.50	-1

SPAIN

September 25	Pts.%	+ or −
Banco Bilbao Viz	848	—
Banco Central	1,000	—
Banco Exterior	548	—
Banco Hispano	830	—
Banco Popular	1,990	—
Banco Santander	875	+11
Banesto	1,155	+10
Citroen Hispania	1,490	—
Corp. Mapfre	2,100	-2
Dragados	692.5	-3
Ebro	3,320	—
Electra Viesgo	281	+5
Energia Ind Ara	562	+2
Ercros	469	+7
Esp Carburos Mt	1,005	+5
Esp Acum Tudor	370	+3
Fasa Renault	518	+3
Fecsa	53.3	+3.3
Hidroel Cantab.	197	+7
Hidrola	114.6	+3.2
Iberduero	146.8	+2.7
Koipe	450	-10
Metal Duro-Felg	355	+5
Petroleos (Cia Esp)	555	—
Portland Vald.	4,675	-85
Repsol	572	-8
SNIACE	185.2	+4.2
Sarrio	371	+8
Sevia	525	+15
Sevillana Elec.	125.8	+1.6
Tabacalera	940	-4
Telefonica	208.3	-1
Torras (Grupo)	1,915	-5
Union Elec-Fen.	95.2	—
Union y el Feniz	2,460	+40
Uralita	796	+3
Urbis Ser.2	612	+14

SWEDEN

September 25	Kroner	+ or −
AGA B (Free)	239	—
Alfa-Laval B (Free)	180	-4
Asea A Free	640	—
Asea B (Free)	641	+1
Astra B (Free)	365	-5
Atlas Copco A (Free)	297	-5
Electrolux B (Free)	300	-4
Ericsson B (Free)	780	-4
Esselte B (Free)	225	—
Gambro B Free	127	—
Mo Och Dom B Free	370	+10
Pharmacia B (Free)	166	-2
Saab-Scania B Free	226	+6
Sandvik B (Free)	335	—
Skandia (Free)	234	-7
Skandia Intl	255	—
Skan Enskilda	102	-4
SKF B Free	150	-2
St Kopparb'g A Free	392	+2
Svka Cell'sa B (Free)	127	-3
Svka Handelsbn	124	-3
Trelleborg B Fr	220	-5
Volvo B (Free)	450	-12

SWITZERLAND

September 25	Frs.	+ or −
Adia Intl	9,200	—
Alusuisse	1,448	+10
Do. Ptg. Certs.	105	-1
Baloise Hld Ptg	2,275	-15
Bank Leu	3,250	+10
Do. Ptg.	393	-3
Brown Boveri	5,030	-30
Do. Ptg.	837	+5
CS Hldgs.	2,700	+15
Ciba Geigy	4,360	-45
Do. (PtCts)	3,170	-15
Elektrowatt	3,050	+10
Elvia	1,980	-15
Fischer (Geo.)	1,975	-25
Do. Ptg.	266	—
Forbo	2,950	-25
Holderbank (Br)	5,975	+25
Holzstoff (Br)	7,000	-200
Inspectorate Int.	2,270	-25
Do. Ptg.	370	+2
Jacobs Suchard	7,090	—
Do. Ptg.	627	-3
Jelmoli	2,810	-15
Do. Ptg. Certs	432	+7
Landis and Gyr	1,260	—
Do Priority Ptg	104	+1
Mag. Globus Ptg	1,090	—
Mikron (Br)	3,140	+40
Motor-Columbus	1,520	—
Nestle	8,870	+20
Do. (Reg)	8,560	+5
Oer-Buhrle	1,290	—
Pargesa Hldg	1,800	-20
Pirelli	440	-3
Roche Hldgs (Br)	8,150	+50
Do (Genus)	3,950	-35
Sandoz (Br)	12,650	-175
Do. (PtCts)	2,250	-5
Schindler (Br)	6,025	—
Do. (PtCts)	1,040	-45
Sika	830	—
Surveillance	5,565	+20
Swissair	1,320	-40
Swiss Bank	360	-1
Do. Ptg.	295	—
Swiss Reinsce	12,200	+100
Do. Ptg.	2,020	+15
Swiss Volksbk	1,760	-10
Union Bank	3,905	+20
Do. Ptg.	133	+0
Winterthur	5,040	—
Do. Ptg.	772	—
Zurich Ins	5,500	-10
Do. Ptg.	2,170	+10

SOUTH AFRICA

September 25	Rand	+ or −
Abercom	2.25	—
AECI	18.25	+0.25
Allied Tech	86	—
Anglo Am Coal	80	—
Anglo Am Corp	100.25	+0.75
Anglo Am Gold	332	+8.5
Barlow Rand	42.85	+0.1
Buffels	51	—
CNA Gallo	10.5	—
De Beers	59.85	+0.05
Deelkraal Gold	13.2	+0.2
Driefontein	47.5	+1.5
East Rand Gold	13.75	+0.5
Elandsrand Gold	30.75	+0.5
First Nat. Bank	18.75	—
Free State Cons Gold	34.25	—
Gold Fields SA	89.5	+0.5
Hartebeest	30.25	+0.5
Highveld Steel	17.5	-0.3
Kinross Gold	55.25	+0.25
Kloof Gold	38.75	+0.5
Libanon Gold	7.4	—
Malcor Hldgs	22.5	—
Nedcor	10.5	+0.2
OK Bazaars	14.65	—
Palabora Mining	62.75	—
Rembrandt	11.6	+0.05
Rust Plat.	69	+0.5
Safmarine & Ren.	35	—
Sage Holdings	7.75	—
Smith (CG) Fds	28.75	—
SA Brewers	27.5	+0.05
SA Mang. Amcor	23	+0.5
Tiger Oats	22.25	—
Tongaat Hulett	19	—
Vaal Reefs	331	+4
Western Deep	147	+1.85

JAPAN

September 25	Yen	+ or −
Ajinomoto	2,790	-30
Akebono Brake	1,010	—
All Nippon Air	1,940	-10
Alps Electric	1,830	+20
Amada	1,950	—
Amano	2,160	+10
Ando Construct	1,220	+40
Anritsu	2,250	+50
Aoki Corp.	1,290	+10
Arabian Oil	6,920	-170
Asahi Breweries	2,410	+10
Asahi Chemicals	1,240	—
Asahi Glass	2,320	—
Asahi Optical	1,060	-40
Asics Corp.	878	—
Atsugi Nylon	1,560	+20
Bank Tokyo	1,830	—
Banyu Pharm	1,820	-30
Bridgestone	1,800	-20
Brother Inds	965	—
CSK Corp.	5,460 xc	+60
Calpis Food	1,460	-30
Calsonic Corp.	1,050	+10
Canon	1,840	+20
Canon Sales	4,600	+60
Casio Computer	1,490	—
Central Finance	1,000	-30
Central Glass	971	-29
Chiba Bank	1,610	—
Chiyoda Chem	1,420	—
Chiyoda Fire	1,480	+100
Chubu Elect Pwr	4,160	-10
Chugai Pharm	2,290	+40
Chugoku El Power	3,650	+50
Citizen Watch	1,100	—
Daicel Chemical	1,080	+10
Daiichi Seiyaku	3,100	+60
Daido Steel	1,390	-20
Daiei	3,160	+30
Daifuku	1,940	+50
Dai Ichi Kan Bank	3,450	-30
Daikin Inds	1,830	+30
Daikyo Kanko	4,710	-90
Daimaru	1,800	+10
Dai Nippon Ink	877	+2
Dai Nippon Phar	2,810	-20
Dai Nippon Ptg	2,300	—
Dai Nippon Toryo	970	+33
Daishowa Paper	3,100	+50
Dai Tokyo F&M	1,670	—
Daiwa Bank	1,800	+10
Daiwa House	2,660	—
Daiwa Sec	2,210	+110
Denny's	4,950	+100
Diesel Kiki	1,050	-20
Dowa Fire & Mar	1,530	—
Dowa Mining	985	—
Ebara	1,980	—
Eisai	2,440	+50
Ezaki Glico	1,530	+20
Fanuc	7,500	+100
Fudo Construct	1,020	+42
Fuji Bank	3,610	+40
Fuji Electric	1,070	-20
Fuji Film	4,560	-30
Fuji Fire & Mar	1,550	+50
Fuji Heavy Ind	918	-20
Fujikura	1,170	—
Fujisawa	1,830	+60
Fuji Spinning	772	-33
Fujita Tourist	4,400	+70
Fujitsu	1,590	—
Furukawa Elect	1,160	—
Gakken	2,430	+20
Gen Sekiyu	1,470	+10
Godo Steel	2,090	—
Green Cross	1,770	+10
Gun-Ei Chem	970	-16
Gunze	1,330	-10
Hankyu Corp.	1,220	—
Hanshin El Rail	1,010	-10
Hasegawa Kom	1,610	—
Hattori Seiko	3,350	+180
Hazama-Gumi	1,650	+60
Heiwa Real Est	2,070	-20
Hino Motors	1,210	+30
Hirose Electric	4,890	-60
Hiroshima (Bank)	1,200	—
Hitachi	1,570	+10
Hitachi Cable	1,270	+60
Hitachi Credit	2,000	+50
Hitachi Koki	1,900	-10
Hitachi Maxell	3,050	+70
Hitachi Metals	1,570	—
Hitachi Sales	1,090	-20
Hitachi Zosen	820	-10
Hokkaido Elect.	3,600	+40
Hokkaido Takush	1,190	-30
Hokuriku El Pwr	3,610	+40
Honda	1,990	+60
Honshu Paper	977	+10
House Food Ind	2,840	+30
Hoya	2,670	+40
IHI	1,130	—
Ihara Chemical	1,060	+10
Ikegami Tsushin	1,860	—
Inax	2,130	+20
Indl Bank Japan	3,450	+40
Iseki & Co.	628	+6
Isetan	4,650	-50
Ishihara Sangyo	850	-18
Isuzu Motors	1,000	+2
Itoh(C)	990	—
Itoham Foods	1,550	-10
Itoman & Co.	1,310	-30
Ito Yokado	4,600	+40
Iwatsu Electric	1,160	+20
Izumiya	2,930	-20
JGC Corp.	1,890	-30
JEOL	1,510	-40
Janome Sew Mach	3,100	+100
JAL	17,100	+100
Japan Metals	1,050	-20
Japan Radio	2,020	+10
Japan Steel Wks	1,050	-10
Jap S Battery	1,100	—
Japan Synth Rbr	1,260	+10
Japan Wool	2,100	—
Jujo Paper	1,150	—
Jusco	2,580	+30
Kagome	1,880	-30
Kajima	2,080	+40
Kaken Pharm	2,020	-60
Kandenko	3,990	—
Kanebo	880	—
Kanegafuchi Chm	1,080	—
Kanematsu-Gosho	989	+19
Kansai Elect Power	4,520	+50
Kansai Paint	1,060	+10
Kao Corp	1,730	-40
Kashiyama	2,260	+10
Kawasaki Heavy	1,050	-10
Kawasaki Kisen	952	+2
Kawasaki Steel	812	+1
Keihin Elec Exp	1,700	+20
Keio Teito Elec	1,490	—
Kikkoman	1,490	+20
Kinki Elec Cons	3,750	+90
Kinki Nippon Rl	1,400	—
Kirin Brewery	1,900	+10
Kobe Steel	746	+12
Koito Mfg	3,800	+50
Kokusai Electric	3,100	—
Kokuyo	3,990	-10
Komatsu	1,270	+40
Konica	1,470	—
Koraimus	4,370	+110
Koyo Seiko	1,360	-10
Kubota	1,190	—
Kumagai-Gumi	1,480	—
Kansai Chemical	1,050	+20
Kurabo Inds.	770	-6
Kuraray	1,560	+30
Kureha Chemical	1,170	+50
Kurita Water	1,430	+60
Kurosaki Refrac	1,200	-20
Kyocera	5,900	+320
Kyodo Shiryo	860	+10
Kyotaru	2,150	+20
Kyowa Bank	1,540	—
Kyowa Hakko	1,750	-20
Kyushu Electric	3,710	+50
Lion	1,180	+10
Long Term Cred.	20,700	-200
Maeda Corp	1,880	-10
Makino Milling	1,480	+10
Makita Elect Wk	2,190	+30
Marubeni	837	—
Marudai Food	1,600	+20
Marui	3,390	+50
Maruichi Steel	2,150	+10
MEI	2,320	—
Matsu Elect. Wks.	2,280	+30
Matsushita Koto	2,270	-20
Matsushita Refrig	1,650	+40
Mazda Motors	1,060	-10
Meiji Milk	1,050	+30
Meiji Seika	1,150	-10
Minami Coca Cola	2,500	+10
Minebea	1,150	+10
Minolta Camera	981	+8
Misawa Homes	2,860	-20
M'bishi Bank	3,180	-10
M'bishi Belting	1,480	—
M'bishi Corp	1,550	-10
M'bishi Elec	1,050	—
M'bishi Estate	2,430	+10
M'bishi Gas Chem	928	+3
MHI	1,140	+10
M'bishi Kasei	1,020	-20
M'bishi Metal	1,050	-10
M'bishi Min Cmt	872	+7
M'bishi Oil	1,180	—
M'bishi Paper	1,290	+30
M'bishi Petchem	1,640	-20
M'bishi Plastics	955	+12
M'bishi Rayon	825	—
M'bishi Steel	2,080	-20
M'bishi Tst	2,880	+48
M'bishi Warehse	1,960	—
Mitsui Bank	2,640	+60
Mitsui Co.	1,040	-10
Mitsui Eng Ship	843	+8
Mitsui Mng & Sm	830	+9
Mitsui Osk Line	929	+4
Mitsui Petchem	1,630	-50
Mitsui Real Estate	2,680	+40
Mitsui Toatsu	985	-10
Mitsui Tst & Bkg	2,030	-20
Mitsui Warehse	1,440	+40
Mitsukoshi	2,400	+10
Mitsumi Elect	1,010	+10
Miyaji Iron Wks	990	—
Mizuno Sporting	1,880	—
Mochida Pharm	3,930	+70
Morinaga Milk	950	-10
Mori Seiki	4,300	-30
Murata Mfg	2,560	-20
NEC	1,800	—
NGK Insulators	1,630	+10
NGK Spark Plug	1,420	+10
NHK Spring	958	+28
NKK Corp.	748	+6
NOK Corp.	1,680	-10
NTN Toyo Brg	1,180	—
Nachi Fujikoshi	1,190	-10
Nagasakiya	4,600	-40
Nagase	1,420	-10
Nagoya Railroad	1,360	—
National House	2,220	-10
Nichii	3,150	+30
Nichirei	1,950	—
Nihon Cement	1,180	+20
Nihon Nosan	791	+21
Nihon Parkeriz.	1,350	-10
Niigata Eng	879	—
Nikko Sec.	1,830	+80
Nikon Corp.	1,500	+20
Nippon Cred Bnk	16,500	+200
Nippon Denko	1,150	+10
Nippon Denso	2,520	-10
Nippon Elect Gl	3,160	+80
Nippon Express	1,340	+10
Nippon Fire	1,670	+20
Nippon Flour	990	—
Nippon Hodo	3,040	-30
Nippon Kayaku	1,540	-20
Nippon Lt Metal	981	-14
Nippon Meat Pack	2,380	-10
Nippon Mining	850	-12
Nippon Oil	1,460	+10
Nippon Paint	983	+23
Nippon Road	1,740	-20
Nippon Sanso	1,070	+20
Nippon Seiko	1,140	-20
Nippon Sharyo	1,680	+30
Nippon Sh Glass	1,100	—
Nippon Shinpan	1,870	+40
Nippon Shinyaku	2,080	+60
Nippon Soda	1,370	+30
Nippon Stainless	1,160	-10
Nippon Steel	756	+4
Nippon Suisan	902	-3
Nippon TV	29,600	+100
Nippon Yakin	1,200	+50
Nippon Yusen	1,060	—
Nippon Zeon	1,040	+30
Nishimatsu Cons	1,470	—
Nissan Diesel	1,030	-30
Nissan Motor	1,470	-10
Nissei Sangyo	2,300	+30
Nisshin Flour	1,870	+50
Nisshin Oil	1,190	+30
Nisshinbo Inds.	1,680	—
Nissho Iwai	923	+10
Nissin Electric	1,250	+40
Nissin Food	4,180	-100
Nitsuko	1,480	+30
Nitto Boseki	945	-15
Nitto Elect Ind	2,080	-20
Nomura	3,160	+90
Noritake	1,580	-20
Odakyu Elec Rly	1,610	-10
Obayashi-Gumi	1,690	+10
Oji Paper	1,610	-30
Oki Electric	1,080	+10
Okuma Mach	1,720	-70
Okumura-Gumi	1,800	+20
Olympus	1,740	+50
Omron Tateisi	3,260	-60
Onoda Cement	970	+20
Ono Pharm	6,300	-30
Orient Finance	1,910	-10
Orient Leasing	6,800	+60
Osaka Gas	825	-1
Penta Ocean Con	1,300	+20
Pioneer	5,200	+250
Prima Meat Pack	881	-12
Renown	1,320	—
Ricoh	1,240	—
Royal Co	3,350	+30
Ryobi	941	-8
Saitama Bank	1,800	—
Sanden	1,100	-10
Sankyo	3,080	+140
Sanraku	1,430	-20
Sanrio	5,800	-150
Sanwa Bank	2,830	—
Sanwa Shutter	2,080	-30
Sanyo Elect	870	+13
Sanyo Kokusaku	1,020	+20
Sapporo	1,790	+20
Secom	7,920	—
Seibu Railway	7,600	+50
Seino Transport	2,690	+30
Seiyu	2,930	+30
Sekisui Chem	1,620	-20
Sekisui House	2,460	—
Settsu	1,360	—
Seven-Eleven	8,890	+40
Sharp	1,390	-10
Shikoku El Pwr	3,560	+20
Shimizu Corp.	2,220	-30
Shin-Etsu Chem	1,750	-20
Shionogi	1,770	+20
Shiseido	2,120	+20
Shochiku	3,990	+100
Shokusan Jutaku	1,450	+60
Showa Aluminium	950	+10
Showa Denko	1,050	-20
Showa Elec Wire	1,300	+30
Showa Sangyo	796	+6
Showa Shell Sek	1,420	+20
Skylark	3,250	+50
Snow Brand Milk	1,350	-10
Sony	8,400	—
Stanley Electric	1,360	—
Sumitomo B'lite	987	-15
Sumitomo Bank	3,490	+40
Sumitomo Cement	860	+5
Sumitomo Chem	883	-4
Sumitomo Corp	1,550	+20
Sumitomo Elect.	1,510	+20
Sumitomo Heavy	1,070	+10
Sumitomo Light M	836	+6
Sumitomo Marine	1,510	+60
Sumitomo Met In	722	—
Sumitomo Met Mng	1,390	-10
Sumitomo Realty	2,090	+20
Sumitomo Tr & Bk	2,630	+10
Sumitomo W'hse.	1,450	-10
Suzuki Motor	946	-7
TDK	5,850	+70
Taisei Corp	1,540	—
Taisho Marine	1,510	+30
Taisho Pharm	2,650	—
Taiyo Fishery	830	+21
Taiyo Kobe Bank	2,060	+40
Takaoka Elect	1,300	+20
Takara Shuzo	1,050	+20
Takashimaya	3,250	—
Takeda	2,420	+40
Tanabe Seiyaku	1,840	—
Teijin	915	-5
Teikoku Oil	1,200	—
Tekken Constr.	1,390	-10
Toa Harbour Wks	1,200	—
Toa Nenryo Kyo	2,040	+50
Tobishima	1,390	+30
Tobu Railway	1,560	-10
Toei Co.	1,550	+30
Toho	32,000	+600
Tohoku Electric	3,760	+170
Tokai Bank	2,490	+30
Tokai Carbon	1,100	—
Tokico	1,060	—
Tokio Marine	2,100	+70
Tokuyama Soda	989	+19
Tokyo B'casting	2,870	-20
Tokyo Electric Pwr	5,700	+50
Tokyo Electron	3,560	+100
Tokyo Gas	1,050	—
Tokyo Rope	1,500	—
Tokyo Steel	4,650	-30
Tokyo Style	2,280	+30
Tokyu Car	2,020	-30
Tokyu Corp	1,880	-20
Tokyu Land	1,550	+30
Toppan Print	2,000	-10
Toray	990	—
Toshiba Elect	1,260	+30
Toshiba Eng Con	1,520	—
Toshiba Machinery	1,160	-10
Tosoku	1,010	+17
Tosoh Corp	930	+13
Toto	2,880	-20
Toyo Construct	1,150	+40
Toyoda Aut. Loom	3,270	+60
Toyo Ink	975	+24
Toyo Jozo	1,710	+20
Toyo Kanetsu	1,060	—
Toyo Seikan	3,000	-10
Toyota Motor	2,540	+10
Toyo Tire	1,050	+20
Tsubakimoto Chn	1,240	-20
Tsugami	949	-7
UBE Inds	840	-10
Unitika	810	+15
Victor	2,650	+60
Wacoal	1,640	+40
Yamaha Corp	2,190	+10
Yamaha Motor	1,420	+20
Yamaichi Sec	1,830	+110
Yamanouchi	3,880	+120
Yamatake H'ywell	2,950	—
Yamato Kogyo	2,000	+20
Yamato Trans	2,100	+60
Yamazaki Baking	2,170	—
Yasuda Fire	1,510	+60
Yasukawa Elect.	1,330	+40
Yokogawa Elect	1,880	-30
Yokohama Bank	1,700	+30
Yokohama Rubber	1,280	+10
Yomiuri Land	2,780	—
Yoshitomi Pharm	1,640	+50
Yuasa Battery	1,440	+10

AUSTRALIA

September 25	Aust$	+ or −
AWA	1.28	-0.04
Aberfoyle	6.20	—
Adelaide Steams	9.00	-0.04
Ansett	11.40	-0.1
Amcor	4.49 xr	-0.01
Ariadne Aust	0.18	+0.01
Arnotts	6.36	—
Ashton	1.54	-0.06
ANZ Group	5.20	-0.1
Aust. Gas Light	1.85	+0.05
Aust Nat Inds	1.37	-0.03
BHP	9.36	-0.2
BHP Gold	0.47	-0.01
BTR Nylex	5.92	-0.06
Bell Group	0.46	—
Bell Resources	1.06	—
Bond Corp Hldgs	0.36	—
Boral	3.69 xc	-0.07
B'ville Copper	2.00	-0.03
Brambles Inds	13.90	-0.1
Bridge Oil	1.04	+0.04
Bundaberg Sugar	3.90	—
Burns Philp	3.70	—
CRA	11.35	-0.15
CSR	4.87	-0.15
Caltex Aust.	2.40	+0.02
Central Norseman	0.55	—
Chase Corp	0.04	—
Claremont Petro	0.09	—
Coal Allied Ind	8.30	—
Coles Myer	8.62	-0.14
Comalco 'A'	4.05	-0.18
C'wealth Ind Gas	5.10	-0.16
Elders IXL	3.00	—
Energy Res	2.25	+0.05
FAI Insurances	3.00	-0.06
Gen Prop Trust	2.56	—
Giant Res.	0.50	-0.02
Goodman Fielder	2.10	-0.01
Hardie (J)	2.75	-0.05
ICI Aust	6.30	+0.06
Industrial Equity	2.25	—
Jennings Inds	2.22	+0.04
Jones (David)	11.20	-0.2
Kidston Gold	2.30	+0.02
Lend Lease	12.10	-0.1

AUSTRALIA (continued)

September 25	Aust$	+ or −
MIM	2.37	-0.09
McPherson	1.10	—
Mayne Nickless	6.28	-0.18
Nat.Aust. Bank	6.46	-0.1
Nat Consolidated	3.50	-0.05
Newmont Aust.	0.84	—
News	15.25	-0.25
N Bkn Hill Peko	2.85	+0.02
Northern Star	0.38	-0.12
Oakbridge	0.66	-0.02
OPSM	1.99	+0.01
Pacific Dunlop	4.91	-0.04
Pancont'l	2.05	-0.03
Petersville Sl.	3.40	-0.06
Pioneer Intl.	2.92	-0.05
Pioneer Mining	0.70	-0.07
Placer Pacific	3.15	—
Poseidon	2.96	+0.01
Renison Gldflds	8.50	+0.1
Rothmans Aust.	9.70	-0.4
SA Brewing	2.62	+0.02
Santos	4.12	-0.08
Smith (H.)	5.58	+0.02
Sons of Gwalia	5.70	—
Thos Natwide	3.26	-0.06
Tooth	10.50	—
Tubemakers Aust.	3.10	+0.05
Vamgas	2.75	+0.05
Western Mining	6.14	-0.08
Westfield Hldg	2.90	—
Westpac	5.28	-0.06
Woodside Petrol	2.82	-0.03
Wormald Intl	2.72	—

HONG KONG

September 25	H.K.$	+ or −
Amoy Props.	3.40	+0.13
Bank East Asia	14.70	+0.2
Cathay Pacific	8.35	+0.2
Cheung Kong	9.40	—
China Light	12.90	+0.1
China Motor	25.70	+0.2
Cross H'bour Tnl	13.70	-0.1
Dao Heng Hldgs	1.37	-0.01
Evergo	2.57	+0.12
Hang Lung	5.10	+0.05
Hang Seng Bank	21.00	+0.2
Harbour Centre	8.15	—
Henderson Inv.	1.84	—
Henderson Land	5.60	—
HK Aircraft	22.00	+1
HK China	18.70	+0.1
HK Electric	7.70	+0.05
HK Land	8.85	+0.35
HK Realty & Tr A	4.95	-0.02
HK Shanghai Bank	6.40	+0.1
HK Shanghai Hotels	5.15	—
HK Telecomms.	4.70	+0.03
Hopewell Hldgs	2.92	-0.03
Hutchison Wpa	9.20	+0.25
Hysan Dev	1.39	+0.03
Indust. Equity P	15.60	-0.1
Jardine Math	22.20	+0.6
Jardine Strtgic	13.20	+0.3
Kowloon Motor	7.05	-0.05
Mandarin Orient	5.80	-0.05
New World Dev	11.40	+0.2
Realty Dev A	6.30	—
SHK Props	12.20	—
Shaw Bros.	4.77	+0.05
Shell Elec. Mfg	1.31	+0.05
Sime Darby	3.22	—
Sun Hung Kai	2.25	—
Swire Pac A	26.20	+0.2
Do. B	2.75	+0.05
Tele B'cast	8.40	—
Wharf Hldgs	8.30	-0.05
Wing On Co	7.70	-0.1
Winsor Ind	8.75	-0.05
World Intl Hldgs	3.77	+0.02
Zung Fu	3.22	+0.02

SINGAPORE

September 25	S$	+ or −
Boustead Hldgs	1.57	-0.02
Cerebos Pacific	5.35	+0.1
Cold Storage	3.52	—
DBS	10.70	-0.2
Fraser & Neave	9.55	+0.05
Genting	7.30	-0.05
Haw Par Bros	2.97	-0.03
Hong Leong Fin	2.78	—
Inchcape Bhd	5.70	-0.1
Keppel Corp.	5.65	—
Malayan Banking	8.00	—
Malayan Utd Ind	2.86	—
Multi Purpose	0.96	-0.01
OCBC	9.60	—
OUB	4.32	—
Public Bank	1.38	-0.01
Sime Darby	3.44	-0.06
S'pore Air Free	18.60	—
Singapore Press	8.75	-0.15
Straits Trading	3.90	-0.04
Tat Lee Bank	3.18	-0.02
UOB	5.50	-0.2

NOTES – Prices on this page are as quoted on the individual exchanges and are last traded prices. (u) unavailable. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

CANADA

TORONTO
4pm prices September 25

Quotations in cents unless marked $

Sales	Stock	High	Low	Close	Chng
24516	AMCA Int	420	415	415	
173	Abitibi Pr	$17¼	17¼	17¼	
21300	Agnico E	$9⅝	9⅝	9⅝	+ ⅛
7648	Albrta En	$20⅜	20¼	20⅜	- ⅛
950	Albrta N	$17¼	17¼	17¼	
58727	Alcan	$27⅜	27	27	- ⅜
300	Algo Cent	$17½	17½	17½	
101898	A Barrick	$29	28¾	29	+1¼
958	Atco I f	$10⅝	10½	10½	- ⅛
59934	BCE Inc	$40⅞	40⅝	40¾	
18300	BCE D	180	172	172	- 8
5125	BCE Mobl	$32⅞	32½	32½	- ⅜
1700	BC Sugar A	$18⅛	18	18	- ⅛
5900	BGR A	$10⅛	10½	10½	- ⅛
500	BP Canada	$19⅛	19⅛	19⅛	- ⅛
49940	Bk Mont	$31½	31⅛	31¼	- ¼
230298	Bk NScot	$17	16⅞	16⅞	- ⅛
2000	Baton	$13½	13½	13½	+ ¼
55600	Balmoral	71	69	69	+ 1
7823	Bombdr A	$17¼	17	17	- ¼
51825	Bombdr B	$17⅛	16⅞	17	- ⅛
3859	Bow Valy	$14⅝	14⅝	14½	
46900	Bramalea	$34⅝	34½	34½	+ ⅛
24012	Brascan A	$29⅛	29	29⅛	
52720	Briwater	255	245	245	+ 3
8040	BC Phone	$16⅝	16½	16⅝	+ ⅛
1704	Brunco	$17⅛	17⅛	17⅛	- ⅛
2000	Brunswk	$11⅞	11⅞	11⅞	+ ⅛
21800	CAE	$14⅛	14	14	- ⅛
9500	CB Pak	$10⅛	9⅞	9⅞	- ⅛
15900	CCL B f	$13⅛	13½	13⅛	- ⅛
108700	Cambior	$13½	13⅛	13⅛	
7499	Cambridg	$38½	38⅛	38½	+ ⅛
10000	Camp Res	88	88	88	+ 3
2200	Camp Soup	$22⅛	21⅞	21⅞	- ⅜
185447	Campeau f	$13⅝	12⅞	13	+ ½
162054	C Nor West	405	400	405	
3175	C Packrs	$13⅞	13⅞	13⅞	
200	CS Pete f	340	340	340	+ 10
12100	C Exprss f	86	85	86	- 1
700	CG Invest	$46½	46½	46½	+ ½
112260	CI Bk Com	$30	29⅞	29⅞	- ⅛
7883	C Occdntal	$19⅞	19⅝	19⅝	+ ⅛
22200	CP Forest	$41	40½	41	+ ½
94998	CP Ltd	$28⅛	28	28⅛	- ⅛
7810	CTire A f	$24⅜	24⅛	24⅛	
4500	CUtil A f	$20	19⅞	20	+ ⅛
300	CUtil B	$20⅛	20⅛	20⅛	
52000	Canamax o	240	235	240	+ 5
100	CanamA f	$6½	6½	6½	+ ⅛
2100	Canfor	$28⅝	28⅛	28⅝	+ ⅛
800	Cara	$19⅛	19⅛	19⅛	- ⅛
900	Carena	$28⅝	28½	28⅝	- ⅛
1812	Cen Capital	$12½	12⅜	12⅜	- ⅛
13000	CenCap A	$10⅛	10	10	- ⅛
10300	CentFd A	$6⅛	6⅛	6⅛	+ ⅛
400	C Guar Trc	$10⅝	10⅝	10⅝	
4000	Charan	126	125	125	
53300	CHUM B f	$24	24	24	- ½
15585	Cineplex	$14⅛	14⅛	14⅛	- ⅛
1000	Co Steel f	$18⅛	18⅛	18⅛	
14187	Cominco	$29⅛	28⅞	28⅞	- ⅜
2000	Computing	405	405	405	
717102	Connaught	$37⅝	37¼	37¼	+3½
47722	Con TVX	$7⅛	7	7⅛	+ ⅛
1750	Cnsum Gas	$28	27⅞	27⅞	- ⅛
450	Conwst B	$14	14	14	+ ¼
801940	Corona A f	$9	8⅛	8⅞	+ ⅛
500	Coscan	$11	11	11	
800	Crownx	$13⅞	13⅞	13⅞	
44200	Crownx A f	$6⅞	6⅞	6⅞	
7150	Denison A	$5	490	5	+5
31410	Denison B f	495	470	495	+ 25
3250	Derlan	$10⅞	10⅞	10⅞	
280	Dicknsn A f	$5½	5½	5½	
11111	Dofasco	$26⅛	26	26⅛	- ⅛
2649	D Textile	$16⅝	16½	16½	- ⅛
8904	Domtar	$14½	14⅜	14½	+ ⅛
9200	Durnagmt o	$15	14⅞	15	+ ¼
2000	Du Pont A	$26½	26⅛	26½	+ ⅛
800	Dylex A	$11⅞	11⅞	11⅞	
138150	Echo Bay	$19⅝	19⅛	19⅝	+ ⅜
1050	EmpireA f	$16⅛	16	16⅛	
6300	Enfield	$7⅞	7⅞	7⅞	
27400	EquitySv A	430	425	430	+ 10
2600	FCA Intl	$9⅝	9⅝	9⅝	- ⅛
2075	FPI Ltd	$6⅞	6⅞	6⅞	+ ⅛
2002	Ficnbrdg	$35½	35⅞	35⅞	- ⅛
7975	Fed Ind A	$15	14⅞	15	
1100	Fed Pion	$13⅞	13½	13½	
12516	Fnning L	$14⅝	14½	14⅝	
200	Ford Cnda	$191	191	191	+ ¼
2321	Fortis	$22⅛	22	22	
2800	FourSeasn f	$34½	34½	34½	- ½
10300	Franco o	$11⅞	11⅞	11⅞	- ⅛
1877	GW Util	$24⅝	24⅝	24⅝	
149205	Galactic	340	310	335	+ 25
1000	Gandalf	$7	7	7	
37700	Glamis	185	150	175	+ 30
15100	Goldcorp f	480	475	480	+ 10
28440	Gld Knight	$9⅛	9	9	+ ⅛
300	Grafton A f	$9⅛	9⅛	9⅛	
31680	Granges	300	290	295	
1000	GL Group	$20	20	20	
1900	GtW Lifeco	$16	16	16	
300	Greyhnd	$29½	29½	29½	
28648	Gulf Res	$14⅞	14⅞	14⅞	
5400	Haley	$6⅛	6⅛	6⅛	
1400	Harris A	$5⅞	5⅞	5⅞	- ⅛
2270	Hawker	$27⅛	27	27⅛	+ ⅛
3098	Hayes D	$15⅛	15	15	- ¼
6550	Hees Intl	$29⅞	29½	29⅞	- ⅛
72215	Hemlo	$18	15⅞	16	+ ⅜
2800	Hollingr	$12⅛	12⅛	12⅛	
60250	Horsham f	$9⅞	9⅝	9⅞	+ ⅛
34	H BayMn s	$9⅛	9⅛	9⅛	
51775	H Bay Co	$35⅛	35⅛	35⅛	- ⅛
2300	Imasco L	$38⅛	37⅞	37⅞	- ⅛
8346	Imp Oil A	$59	58⅞	58⅞	- ⅛
123875	Inco	$38⅛	37⅞	38	- ⅛
100	Innopac	$10	10	10	+ ⅛
4755	Inter City	$24⅞	24⅝	24⅞	- ⅛
1550	Interhome	$47	47	47	
1100	Inv Grp	$20⅛	20⅛	20⅛	
720	Ipsco	$18⅞	18⅛	18⅞	+ ⅛
24100	Ivaco A f	$13⅛	13	13	
300	Ivaco B	$13⅝	13⅝	13⅝	+ ⅛
12800	Jannock	$19⅝	19½	19½	- ⅛
1800	Kerr Add	$19½	19⅛	19½	+ ⅛
20850	Labatt	$24⅛	24	24	- ⅛
212573	Lac Mnrls	$11⅞	11⅞	11½	+ ⅛
252	Lafarge p	$22⅝	22⅝	22⅝	
41778	Laidlaw A	$21⅛	21⅛	21⅛	- ⅜
304843	Laidlw B f	$21½	21	21	- ⅜
150	Laur Gr B	$9⅛	9⅛	9⅛	- ⅛
1600	LawsnM A	$12	12	12	
1875	Loblaw Co	$14⅛	13⅞	13⅞	- ⅛
77600	Lonvest	$22⅜	22⅛	22⅛	- ⅛
2500	MDS A	$26	26	26	+ ⅜
28340	Mac Kenzie	$8½	8⅜	8⅜	
111582	Mclan H X	$13⅛	12⅞	12⅞	- ⅛
69	Mdn HY f	$11⅛	11⅛	11⅛	
9051	Macmilan	$19⅝	19⅝	19½	
6080	Magna A f	$10⅞	10⅝	10⅝	- ⅛
5706	Maritime f	$17⅛	17⅛	17⅛	- ⅛
2314	Mark Res	$9⅜	9⅛	9⅛	
8081	Metall M	$13⅝	13⅝	13⅝	- ⅛
3800	Mdlnd Dty	$5⅞	5⅞	5⅞	- ⅛
300	Mitel Corp	345	345	345	
3130	Molson A f	$36⅛	36⅛	36⅛	- ⅛
200	Molson B	$38	38	38	+ ⅛
16385	Moore	$35⅛	35⅛	35⅛	- ⅝
19095	Nat Bk Can	$13⅛	13⅛	13⅛	- ⅛
37200	N Business	73	67	67	- 1
2442	NewTel Ent	$19⅛	19⅛	19⅛	- ⅛
15600	Noma A	$14⅛	14	14	- ⅛
51050	Noranda F	$14⅞	14½	14⅞	+ ⅜
77802	Noranda	$25⅞	25⅞	25⅞	
12251	Norcen	$24½	24½	24½	
11850	Norco A f	$22½	22⅛	22⅛	
28842	NC Oils	$23⅛	22⅞	22⅞	
154005	Nor Tel	$24⅛	23⅞	24	+ ⅛
700	Nortngat	$6½	6½	6½	+ ⅛
113263	Nova f	$9½	9⅜	9½	
2135	Noverco	$11⅛	11½	11⅛	- ⅛
3800	Nowsco W	$14	13⅞	13⅞	- ⅛
3000	Ocelot B f	$10⅛	10	10	- ⅛
1000	Omega Hyd	270	270	270	
5890	Onex f	$16⅛	16	16	- ⅛
13450	Oshawa A f	$29½	29⅛	29½	+ ½
20057	PWA Corp	$16	15⅞	15⅞	- ⅛
134700	Pgurin A f	$9⅛	8⅞	9⅛	+ ⅛
19093	Pegasus	$13⅛	12⅞	13⅛	+ ⅛
200	PJewl A f	$19⅛	19⅛	19⅛	- ⅛
49800	Pioneer M	73	72	72	+ 1
310057	Placer Dm	$19⅞	19⅝	19⅞	+ ⅛
11859	Poco Pet	$9⅛	9	9⅛	- ⅛
5600	Powr Cor f	$15⅝	15½	15⅝	+ ⅛
60900	Powr Fin	$18⅞	18⅞	18⅞	- ⅜
22000	Provigo	$9⅛	9⅛	9⅛	
1100	Quebcor A	$17½	17⅛	17⅛	- ⅛
152400	Ranger	$6⅞	6⅛	6⅛	- ⅛
8000	Rayrock f	$8⅛	8⅛	8⅛	+ ⅛
400	Reitman A f	$20	20	20	- ⅛
355319	Renaissnce	$22½	22⅛	22⅛	- ⅛
1500	Repap f	$12⅛	12⅛	12⅛	
5400	Rio Algom	$25½	25⅛	25⅛	- ⅛
3011	Rogers B f	$11⅞	11⅞	11⅞	- ⅜
426435	Royal Bnk	$45⅜	45⅛	45⅛	
2474	SHL Syst	$10½	10½	10½	- ⅛
4800	StL CemA f	$19⅝	19½	19⅝	+ ⅛
800	Samuel MT	$15⅝	15⅝	15⅝	
4415	Saskoil	$13⅞	13⅞	13⅞	- ⅛
15514	Sceptre	$5⅛	5⅛	5⅛	
7200	Schneider A	$26½	26½	26½	
2000	Scot Paper	$18⅛	18⅛	18⅛	
7020	Scotts f	$19⅛	19½	19⅝	- ⅛
100	Scotts C	$20⅛	20⅛	20⅛	
31692	Seagram	$94⅛	94⅛	94⅛	- ½
10845	Sears Can	$14⅛	14⅛	14⅛	+ ⅛
2300	ShawC B f	$12⅝	12½	12½	- ⅛
41325	Shell Can	$40⅞	39⅝	40	
1936	Sherritt	$13⅛	13	13⅛	+ ⅛
7600	Sonora	140	140	140	
1050	Southam	$31⅝	31⅛	31⅝	
1632	Spar Aero f	$12⅛	12	12	- ⅛
27384	Stelco A	$22⅜	22⅛	22⅛	- ¼
25800	TCC Bev	$11⅛	11	11⅛	+ ⅛
116185	Teck B f	$24⅝	24⅝	24⅝	+ ⅛
9580	Tembec A	$11⅛	11⅛	11⅛	- ⅛
145597	Tor Dm Bk	$21	20½	20½	- ½
200	Tor Sun	$25⅛	25⅛	25⅛	
58500	Torstar B f	$34⅛	33⅞	34⅛	+ ½
601	Total Pet	$30⅝	30⅛	30⅛	- ⅛
192314	TrnAlta U	$14⅛	13⅞	14	
19750	TrCan PL	$17	16⅞	16⅞	- ⅛
12550	Trilon A	$21½	21⅞	21½	
5957	Trimac	$5	5	5	
12309	Trizec A f	$28⅛	28	28	
308	Trizec B	$29½	29½	29½	- ½
500	UAP A	$17⅞	17⅞	17⅞	
1500	UnigescoB f	440	435	435	- 5
200	Un Carbid	$20⅝	20⅝	20⅝	- ⅛
3322	U Entprise	$11½	11⅞	11⅞	- ⅛
1100	Un Corp	$35⅛	35⅛	35⅛	- ⅛
30080	Varity C	295	290	290	- 5
86000	Viceroy R	435	415	435	+ 25
9900	Videotrn f	$18	17⅞	18	
1000	WIC B f	$14½	14½	14½	- ⅛
300	Wajax A	$13½	13½	13½	- ⅛
6000	Weldwood	$16⅛	16⅛	16⅛	
81777	Wcoast E	$19⅝	19⅞	19⅞	- ⅛
2200	Westmin	$9⅛	9⅛	9⅛	
2700	Weston	$42	41⅞	41⅞	- ⅛
6478	Woodwd A	270	260	270	+ 16
43	Xerox Can	$18	18	18	

f–No voting rights or restricted voting rights.

MONTREAL
4pm prices September 25

Sales	Stock	High	Low	Close	Chng
3450	BombrdrA	$17	17	17	- ⅛
41155	BombrdrB	$17⅛	16⅞	16⅞	- ⅛
1900	CB Pak	$10⅛	09⅞	09⅞	- ⅛
93600	Cambior	$13⅜	13⅛	13⅛	+ ⅛
9185	Cascades	$06⅛	06⅛	06⅛	
2103	DomTxtA	$16⅝	16⅛	16½	- ⅛
1500	Donohue	$13⅛	13⅛	13⅛	
3970	Memotec	$10⅛	10⅛	10⅛	- ⅛
91744	NatBk Cda	$13⅛	13⅛	13⅛	- ⅛
6831	Noverco	$11⅛	11⅛	11⅛	- ⅛
32654	Power Corp	$15⅝	15½	15¾	
14511	Provigo	$09⅛	09⅛	9⅛	
31185	Quebecor	$15½	15⅛	15⅛	
22650	Videotron	$18	17⅞	17⅞	+ ⅛

Total Sales 6,281,432 shares.

INDICES

NEW YORK

DOW JONES	Sep 25	Sep 22	Sep 21	Sep 20	1989 HIGH	1989 LOW	Since compilation HIGH	Since compilation LOW
♦Industrials	2659.19	2681.61	2680.28	2683.89	2752.09 (1/9)	2144.64 (3/1)	2752.09 (1/9/89)	41.22 (2/7/32)
Home Bonds	(u)	92.88	92.89	92.97	94.15 (2/8)	87.35 (23/3)		
Transport	1428.17	1448.26	1465.86	1457.33	1532.01 (5/9)	959.95 (3/1)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	215.67	216.80	216.30	217.43	221.64 (8/8)	181.84 (24/2)	227.83 (22/1/87)	10.50 (8/4/32)

♦Day's High 2685.41 (2696.62) Low 2647.61 (2667.55)

STANDARD AND POOR'S	Sep 25	Sep 22	Sep 21	Sep 20	1989 HIGH	1989 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	344.23	347.05	345.70	346.47	353.73 (1/9)	275.31 (3/1)	353.73 (1/9/89)	4.40 (1/6/32)
Industrials	392.89	396.98	394.64	395.60	405.27 (1/9)	318.66 (3/11)	405.27 (1/9/89)	3.62 (21/6/32)
Financial	33.07	33.38	33.07	33.03	33.59 (7/8)	24.30 (3/1)	33.59 (7/8/89)	8.64 (1/10/74)
NYSE Composite	191.28	192.73	192.16	192.45	196.37 (1/9)	154.98 (3/1)	196.37 (1/9/89)	4.46 (25/4/42)
Amex Mkt. Value	381.40	381.38	380.04	379.14	384.54 (12/9)	305.24 (3/1)	384.54 (12/9/89)	29.31 (9/12/72)
NASDAQ Composite	466.71	468.07	467.00	466.72	471.86 (12/9)	378.56 (3/1)	471.86 (12/9/89)	54.87 (31/10/72)

	Sep 22	Sep 15	Sep 8	year ago (approx.)
Dow Industrial Div. Yield	3.75	3.76	3.70	3.70
	Sep 20	**Sep 13**	**Sep 6**	**year ago (approx.)**
S & P Industrial div. yield	2.87	2.89	2.86	3.19
S & P Indl. P/E ratio	14.49	14.46	14.61	13.03

NEW YORK ACTIVE STOCKS

Monday	Stocks traded	Closing price	Change on day
Columbia	6,223,300	26⅝	+ 5⅛
Manfc Han (xd)	2,743,300	42	- ⅜
AT&T	1,759,500	42⅛	- 1
Lomas Fin	1,202,000	1⅞	- 1⅛
IBM	1,140,500	116¼	- ⅛
Allergan	1,083,700	18⅝	+ ½
Phil Elec	1,066,400	22⅞	—
Niag Mohawk	1,061,600	14⅛	—
Bristol Myers	995,500	50⅛	- ⅛
Philips Ind	958,500	24⅝	+ 4⅝

TRADING ACTIVITY

† Volume (Millions)	Sep 25	Sep 21	Sep 21
New York	120.465	131.186	148.334
Amex	11.475	10.206	12.401
NASDAQ	(u)	148.885	138.620
Issues Traded	1951	1940	1,948
Rises	435	727	664
Falls	1018	637	755
Unchanged	498	576	529
New Highs	37	51	45
New Lows	30	30	26

CANADA

TORONTO	Sep 25	Sep 22	Sep 21	Sep 20	1989 HIGH	1989 LOW
Metals & Minerals	3620.9	3646.6	3644.7	3667.4	3919.2 (1/9)	3207.5 (3/1)
Composite	3901.3	3909.5	3901.3	3906.5	4019.7 (10/8)	3350.5 (6/1)
MONTREAL Portfolio	1978.31	1986.92	1986.25	1997.05	2053.80 (1/9)	1677.48 (3/1)

Base values of all indices are 100 except NYSE All Common–50; Standard and Poor's–10; and Toronto Composite and Metals–1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds.‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable.

	Sep. 25	Sep. 22	Sep. 21	Sep. 20	1989 HIGH	1989 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	1686.6	1706.8	1714.8	1734.0	1781.8 (29/8)	1412.9 (7/4)
All Mining (1/1/80)	817.1	830.2	838.8	843.2	875.1 (29/8)	652.6 (7/4)
AUSTRIA						
Credit Aktien (30/12/84)	462.08	452.53	443.96	441.50	462.08 (25/9)	219.5 (2/1)
BELGIUM						
Brussels SE (1/1/80)	6798.87	6747.19	6702.10	6706.17	6798.87 (25/9)	5519.30 (4/1)
DENMARK						
Copenhagen SE (3/1/83)	331.21	332.21	332.77	332.45	356.65 (12/7)	275.49 (27/2)
FINLAND						
Unitas General (1975)	708.7	721.3	722.7	731.3	815.8 (18/4)	708.7 (25/9)
FRANCE						
CAC General (31/12/82)	550.3	550.4	543.7	542.6	550.4 (22/9)	417.9 (4/1)
Ind. Tendance (30/12/88)	126.6	126.1	124.3	124.5	126.6 (25/9)	97.5 (27/2)
GERMANY						
FAZ Aktien (31/12/58)	683.57	679.37	674.93	674.79	685.92 (8/9)	535.78 (27/2)
Commerzbank (1/12/53)	2044.8	2032.8	2019.4	2015.0	2052.1 (8/9)	1595.7 (27/2)
DAX (30/12/87)	1635.93	1628.80	1611.42	1612.87	1657.61 (8/9)	1271.70 (23/2)
HONG KONG						
Hang Seng Bank (31/7/64)	2738.70	2706.36	2665.75	2631.20	3309.64 (15/5)	2093.61 (5/6)
IRELAND						
ISEQ Overall (4/1/88)	1771.57	1768.47	1754.74	1751.65	1848.93 (30/8)	1360.64 (10/1)
ITALY						
Banca Com. Ital. (1972)	711.94	715.53	709.90	712.14	734.84 (31/8)	577.49 (28/2)
JAPAN						
Nikkei (16/5/49)	34960.71	34771.79	34745.02	34470.58	35140.83 (21/8)	30183.79 (5/1)
Tokyo SE (Topix) (4/1/68)	2643.20	2629.40	2633.52	2615.58	2659.08 (21/8)	2366.91 (6/1)
NETHERLANDS						
CBS Ttl.Rtn.Gen.(End 1983)	270.7	272.5	272.7	272.0	272.7 (21/9)	208.3 (3/1)
CBS All Shr (End 1983)	208.1	209.5	209.7	209.2	210.5 (8/9)	166.7 (3/1)
NORWAY						
Oslo SE (2/1/83)	690.59	686.34	685.92	688.8	692.28 (18/9)	467.17 (2/1)
PHILIPPINES						
Manila Comp (2/1/85)	1151.56	1128.34	1135.86	1129.10	1217.44 (10/8)	804.62 (6/2)
SINGAPORE						
Straits Times Ind. (30/12/66)	1385.54	1392.80	1401.35	1394.97	1420.52 (13/9)	1030.69 (4/1)
SOUTH AFRICA						
JSE Gold (28/9/78)	1675.0	1644.0	1609.0	1600.0	1685.0 (3/8)	1291.0 (15/2)
JSE Industrial (28/9/78)	2738.0	2735.0	2736.0	2730.0	2838.0 (25/8)	1961.0 (3/1)
SOUTH KOREA						
Korea Comp Ex. (4/1/80)	928.22	932.36	938.13	943.87	1007.80 (3/4)	846.30 (1/7)
SPAIN						
Madrid SE (30/12/85)	327.45	326.27	325.20	324.68	328.93 (13/9)	268.61 (1/3)
SWEDEN						
Jacobson & P. (31/12/56)	4251.62	4291.3	4299.7	4283.9	4660.3 (16/8)	3333.9 (3/1)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	814.1	816.3	814.9	818.8	829.1 (6/9)	613.1 (3/1)
TAIWAN						
Weighted Price (30/6/66)	10773.12	10672.22	10567.06	10635.91	10773.11 (25/9)	4873.01 (5/1)
THAILAND						
Bangkok SET (30/4/75)	700.73	707.26	708.24	702.92	724.93 (13/9)	386.73 (2/1)
WORLD						
M.S. Capital Intl. (1/1/70)	(u)	531.0	532.2	531.5	551.2 (3/8)	487.6 (13/6)

‡ Subject to official recalculation.

Base values of all indices are 100 except: Brussels SE, ISEQ Overall and DAX – 1,000, JSE Gold – 255.7, JSE Industrials – 264.3 and Australia All Ordinary and Mining – 500; (c) Closed. (u) Unavailable.

TOKYO - Most Active Stocks
Monday September 25 1989

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Nippon Steel	14.0m	756	+4	Sankyo	6.3m	3,080	+140
NKK	8.7m	748	+6	Pioneer	6.2m	5,200	+250
Miyoshi F&O	8.6m	1,040	+40	Sumitomo	6.2m	1,550	+20
Kawasaki Steel	7.9m	812	+1	Sumitomo Metal	6.1m	92260	0
Yasukawa	6.9m	1,330	+40	MHI	6.1m	1,140	+10

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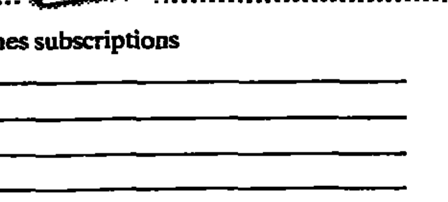

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4pm prices September 25

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

FINE CIGARETTES

Marlboro

20 CLASS A CIGARETTES

Continued on Page 47

هكذا من الأصل

NYSE COMPOSITE PRICES

Continued from previous Page

12 Month High	Low	Stock	Div.	P/E	Sls 100s	High	Low	Close	Ch'ge Prev. Close
12	10⅜	RAC In	n1.20	TL	57	10¾	10⅝	10⅝	
9⅜	1⅝	RAC	.02e	36	15	685	1⅞	1⅞	
8	7½	RLC	.20g	2.4	9	238	8	8	
17⅛	14½	RJI Cp	.40	4.7	6	307	8½	8½	
6	5	ROC Fd			75	15	5⅛	5⅛	
6	5	RPC	.16	16	85	5	5	5	
29⅜	24½	RPS n	.28e	6.6	175	4	4	4	
23⅜	20	Raral n1.25e		2.1	56	693	59½	59½	
8	6⅜	Raritan n							
131⅛	74⅛	Raytch	1.65	1.9	12	493	86⅛	86⅝	
16⅛	9⅜	Rayonr				1748	13⅜	13⅜	
30⅛	20⅛	Rayon	.52		934	488	30⅝	30⅝	
9	6	RJenF	.20	1.1	9	68	18½	18½	
16	11	Rayonr	2.60	14	6	6	12½	12½	
4	3⅝	VRayo				1	3⅝	3⅝	
61¼	55⅛	Raytar	2.20	2.8	10	1165	78¼	78¼	
16⅛	15⅛	Rdgs wt				28	2	2	
17⅜	15¼	RBK	1.36	8.5	17	124	16	16	
18⅛	15⅛	Rdnd	1.72	7.1	9	28	15⅝	15⅝	
3⅜	2⅜	Reeves				4	2⅝	2⅝	
6¼	5⅝	Regina	.36		19	14	5⅝	5⅝	
28⅜	23⅛	Regis	1.28e	2.8	15	488	25⅛	25⅛	
9⅜	7⅜	RelchTg	1.76	12	9	43	14⅛	14⅛	
11⅜	8⅜	ReliStp	.92	4.4	28	68	11⅛	11⅛	
4	3⅜	Reprsl n				6801	3⅝	3⅝	
44	34	ReadCp	2.20	4.3	19	321	43⅜	43⅜	
43	36⅛	ReadNY	1.28	2.7	10	2	47⅜	47⅜	
3⅜	2⅜	Rowe	.04	2.2	6	57	2⅝	2⅝	
31⅜	25⅜	Realtyg	.76	2.9	9	6	26⅜	26⅜	
11⅜	9⅜	RealtIn	.92	9.2	9	6	10	10	
11⅜	9⅜	RealtS	.82	2.1	17	267	39⅜	39⅜	
3⅜	2⅜	RecCtr				158	2⅝	2⅝	
12⅜	9⅜	Redmn				187	11⅜	11⅜	
21⅜	17⅜	Wrbbins			14	138	22	22	
8⅜	6⅜	RedhG	1.56	7.2	11	164	21	21	
4⅜	3⅜	RedhTr	1.42	3.2	10	217	4⅜	4⅜	
3⅜	2⅜	RedhTr	1.20	3.3	16	211	3⅝	3⅝

AMERICA

Equities follow the dollar's downward path

Wall Street

A TAILSPIN in the dollar, which followed the weekend meeting of the Group of Seven industrial nations where the dollar's recent gains were criticised, helped push equities broadly lower yesterday in desultory trading, *writes Karen Zagor in New York.*

The Dow Jones Industrial Average closed down 22.42 points at 2,659.19. Volume on the New York Stock Exchange was thin, with only 120.5m shares changing hands. On the big board, declining issues led those advancing by 1,018 to 439.

Among broader market indices, the Standard & Poor's 500 was down 2.82 points at 344.23, the New York Stock Exchange Composite was down 1.45 points at 191.28, while the American Exchange Composite rose 0.02 points at 381.40.

Equities dropped in tandem with the debt market, where treasuries slipped lower on the heels of the dollar's descent. In late trading, the treasury's bellwether 30-year long bond was down 1⅛ of a point at 98⅜, yielding 8.29 per cent. Fed funds, the rate at which banks lend to each other, changed hands at 9 per cent.

Treasuries were also hurt by stronger-than-expected mid-September auto sales. Debt traders were also concerned about a possible Opec accord to increase the oil output ceiling.

The Group of Seven, which met on Saturday in Washington, said the dollar's recent rise was "inconsistent with longer run economic fundamentals."

The dollar was also pushed lower by a round of central bank intervention early in the session. In late trading, the US currency was quoted at Y142.10 and DM1.8995, compared with Y146.05 and DM1.9510 late on Friday in New York.

Columbia Pictures soared $5¾ to $26⅜ after Sony said it had offered to buy the entertainment company for between $26 and $28 a share. The issue was the most active on the New York Stock Exchange. Coca Cola, which holds a 49 per cent stake in Columbia, jumped $⅜ to $63.

Among other entertainment companies, Walt Disney gained $⅜ to $118¾, Paramount Communications added $1¼ to $54¼ and MCA rose $1⅛ to $63⅜. Connaught BioScience jumped $3⅛ to $31¾ after the company agreed to be acquired by Institut Merieux of France for C$37 a share. CIBA-Geigy and Chiron had earlier offered C$30.

Lomas Financial, which filed for protection under Chapter 11 of the Federal bankruptcy code plummeted $1¼ to $1⅞. The company is close to reaching agreements with senior creditors on a proposal for debt restructuring.

A number of airline issues moved lower after a report that the US Transportation Secretary had requested a reduction in KLM Royal Dutch Airlines' investment in NWA, parent of Northwest Airlines.

UAL, parent of United Airlines, shed $7⅛ to $274⅛, amid fears that the pending $300 a share buyout might be disrupted.

AMR, parent of American Airlines, fell $1⅝ to $77⅞. Delta Air Lines dropped $1 to $70 and Texas Air, parent of troubled Eastern and Continental airlines, plunged $1¼ to $17⅛. However, USAir gained $⅜ to 46⅞.

Among the big three auto makers, General Motors slid $⅛ to $47⅛. Chrysler fell $⅜ to $25⅛ and Ford fell $⅝ to $50⅞.

Canada

IN MODERATE trading shares closed lower in Toronto, and the composite index fell 8.2 to 3,901.3.

Some 21.8m shares changed hands, compared to 25.9m on Friday and declines led advances 358 to 252.

ASIA PACIFIC

Nikkei advances in rush to buy before new term

Tokyo

SHARE PRICES rose strongly as the yen's firm appreciation and a rally on the bond market painted a rosier picture for the market's future, and as investors rushed to buy before the new term begins, *writes Michiyo Nakamoto in Tokyo.*

The Nikkei average sustained a strong early rise and closed 188.92 points higher at 34,960.71. The day's high was 34,990.13 and the low was 34,834.05. Advances outnumbered declines by 507 to 417, while 202 issues were unchanged.

Turnover, however, was still low at 587m shares, down from the 700m traded on Friday. The Topix index of all listed shares advanced 13.80 to 2,643.20 and, in London trading, the ISE/Nikkei 50 index rose 3.72 to 2,031.94.

Investors took heart from the yen's strong recovery. This was triggered by the agreement to keep the dollar's rise in check, reached at the meeting of finance ministers of the Group of Seven industrial nations at the weekend.

The statement, indicating that the finance ministers of the world's leading industrial nations had agreed to prevent the dollar from rising too strongly, helped calm fears. The market had been worried that the dollar's continuing strength would lead to greater inflationary pressures and could result in another increase in Japan's official discount rate.

A strong rally on the bond market in response to the news also helped to bolster stock investors' buying enthusiasm.

The environment for the market has been gradually improving over the past few days, said Mr Kitai Kazuma at County NatWest. For one thing, the supply and demand balance has been getting better, with a large number of investment trust funds to be launched as the market enters its new term.

Investors were also said to have been rushing to buy, in order to qualify to receive free scrip issues and dividends before trading switches over to the new term, beginning today.

Mr Kazuma believes that the market's future prospects depend to a considerable extent on the ability of leading brokers to take advantage of the improved climate and to channel buying interest into their own themes.

Interest continued to be scattered, as investors jumped on any issue that showed signs of moving upwards. Even within this market without a theme, however, certain issues sustained interest.

Among these were high-priced issues with good earnings prospects, such as Pioneer, which surged Y250 to a new high of Y5,200 in active trading. Strong sales of its laser disk players and the stock's low price/earnings ratio of about 40 supported buying in Pioneer.

Miyoshi Oil and Fat, a leading maker of margarine, advanced Y120 to Y1,120. It was the third most actively traded issue and closed up Y40 at Y1,040.

Large capital issues, which had fallen on interest rate fears, recovered some of their losses. Nippon Steel topped the actives list with 14m shares changing hands and gained Y4 to Y756. NKK followed with 8.7m shares and rose Y6 to Y748. Mitsubishi Heavy Industries advanced Y10 to Y1,140.

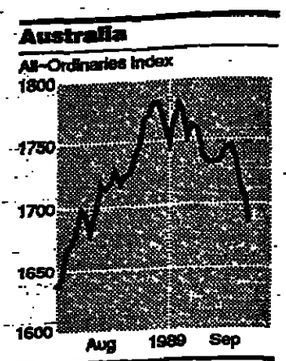
Widespread interest in Osaka supported a 119.75-point rise on the OSE average to 35,370.61. Turnover slipped to 144m shares from 148m on Friday.

Roundup

FORTUNES varied in the Asia Pacific region, with Australia moving sharply lower, while Hong Kong continued to rally.

AUSTRALIA dropped below the 1,700 level on the All Ordinaries index as the strength of the local dollar and selling in the futures market unnerved investors. The Australian dollar reached its highest level since May, harming prospects for companies such as the mining groups that sell their products in US dollars or other currencies.

The All Ordinaries index fell 20.2, or 1.2 per cent, to 1,686.6 as overseas buyers deserted. Turnover was 120m shares with a value of A$292m. This total included 50m shares in brewing, agribusiness and finance group Elders IXL, traded at the Harlin Holdings offer price of A$3; the offer closes this week.



News Corp, which relies heavily on overseas earnings, declined 25 cents to A$15.25.

Among resources exporters, Broken Hill Proprietary fell 20 cents to A$9.36, CRA shed 15 cents to A$11.35 and Western Mining eased 8 cents to A$6.14.

HONG KONG made its fourth successive rise, buoyed by results from Jardine Matheson. The Hang Seng index rose 32.34 to 2,738.70; on Friday, the index regained the levels last seen before its slump at the beginning of June in the wake of the unrest in Chinese.

Jardine Matheson Holdings gained 60 cents to HK$22.20 after announcing interim profits up 41 per cent at HK$634m, slightly above expectations.

SINGAPORE eased again as profit-taking continued, with the Straits Times industrial index losing 7.26 to 1,385.54.

In the property sector, Singapore Land lost 50 cents to S$13.60. UIC, which has taken a 13 per cent stake in Singapore Land, dropped S$7 to S$227.

SOUTH KOREA saw its string of losses continue. Financial stocks, however, defied the trend after news that the Finance Ministry had asked some banks and brokerages to delay rights issues until next year in a move to prevent a huge rush of money into the market. The composite index lost 0.88 to 928.22.

TAIWAN shook off bursts of profit-taking to finish at a record high, with the weighted index gaining 97.68 to 10,773.11.

EUROPE

Brussels hits record on speculative interest

EXCITEMENT was restricted to the Belgian and Spanish bourses yesterday, as early gains in the bigger markets fizzled out amid interest rate worries, *writes Our Markets Staff.*

BRUSSELS was boosted to all-time highs by speculative activity in individual stocks. The cash market index gained 51.68 to a new peak of 6,798.87.

Metallurgie Hoboken Overpelt, the non-ferrous metals company, surged BFr3,375, or 13 per cent, to BFr29,375, amid rumours that it would merge with Acec-Union Minière.

Acec-Union Minière, the recently formed engineering and non-ferrous metals unit of Société Générale de Belgique, gained BFr40 to BFr540 on turnover of 100,600 shares. Its rights issue ends on October 5.

Chemical stocks benefited from Solvay's announcement on Friday of a 12 per cent rise in first-half net profits, and in anticipation of an improvement in UCB's consolidated results, to be released on Thursday. Solvay gained BFr250 to BFr14,700 and UCB rose BFr300 to BFr14,200.

MADRID investors were keen to buy in all sectors and the bourse closed firm in pit trading amid high volume. The general index rose 1.18 to 327.45.

Asland, the construction group, rose 28 percentage points to 1,210 per cent of par value, while Dragados, another leading construction company, fell 3 to 692.50.

FRANKFURT began in a confident frame of mind as fears of rising interest rates seemed to fade, but the market paused for thought later in the day, closing off its highs.

Early on, share prices rose and trading was active after the weekend's meeting of the Group of Seven leading industrial nations, which agreed to halt the rise in the dollar. This seemed to reduce pressure on interest rates.

However, economic figures released later in the day suggested that West German inflation was moving upwards. As a result, the Bundesbank might well take action on interest rates at its next meeting, said one analyst.

Steel producer Thyssen rose to DM250.50 on predictions of good annual profits and sales growth, before falling back on profit-taking to close DM1 higher at DM249.

Construction stocks were also strong, with Hochtief gaining DM17 to DM947 and Heidelberger Zement picking up DM50 to DM1,105.

Optimism over earnings prospects for retailers sent that sector's stocks higher, with Karstadt up DM12.20 at DM683 and Kaufhof up DM2 at DM582. Asko added DM1 to DM905; after the close, it emerged that the company was taking legal action against Ahold of the Netherlands over the latter's cancellation of co-operation talks.

The DAX index gained 7.13 to 1,635.93 while the midsession FAZ index added 4.2 to 683.57. Turnover at DM5.1bn was busy, but less active than on Friday when a huge DM6.4bn worth of shares was traded.

PARIS fell back as the day progressed, with interest rate worries beginning to bite.

The principal feature was tyre maker Michelin, which gained FFr6.80 to FFr189.80 in active trading. The company's purchase of Uniroyal Goodrich of the US for about $1.5bn was received well by investors, although one observer described this enthusiasm as surprising. Financing the deal will greatly increase the company's gearing.

Matra picked up FFr9.50 to FFr423 after last week's announcement that it would float part of its telecommunications subsidiary and had sold a 50 per cent stake in a chip-producing subsidiary to West Germany's AEG.

The CAC General index's series of record highs came to an end with a 0.1 point fall to 550.3. The OMF 50 index shed 4.11 to 529.31. Turnover was estimated as moderate at less than FFr3bn.

AMSTERDAM slipped in moderately active trading as the dollar weakened. The CBS tendency index eased 0.3 to 198.0.

DSM, the chemical concern, rose 10 cents to Fl 127.10 before today's announcement of the issue price for a second tranche of 12m shares.

Ahold, the retailer, closed 50 cents higher at Fl 137.50 before news that West German retailer Asko was taking legal action in an attempt to revive co-operation talks. Ahold cancelled the talks after Asko took a 12 per cent stake in the Dutch company.

MILAN eased during a low-volume trading session which lacked all motivation other than selling pressure from investors at home and abroad. The Comit index lost 3.79 to 711.94.

Generali, the insurer, shed L110 at the official close to L45,400 and then slipped further to L45,150 in late trading after saying on Friday it was acquiring a 13 per cent stake in Nuovo Banco Ambrosiano, the Milan-based institution.

ZURICH closed little changed, with any price fluctuations limited to a narrow range. The Crédit Suisse lost 0.7 to 655.7.

Union Bank of Switzerland added SFr20 to SFr3,905 after Mr Robert Studer, its president, told a news conference the bank was looking for record results this year.

Alusuisse, the aluminium and chemicals group, led the actives list after the company published a favourable interim report. Its bearers rose SFr10 to SFr1,438.

STOCKHOLM continued its retreat, falling broadly in lacklustre trade. The Affärsvärlden general index closed down 11.8 at 1,263.5. Shares worth SKr315m changed hands compared with SKr227m on Friday.

Electrolux, the home appliances group, fell SKr4 to SKr300 in large turnover after reports of deteriorating sales in the US and in Europe.

SOUTH AFRICA

ACTIVE trading saw share prices rise across the board in Johannesburg. Among mining stocks, Vaal Reefs added 200 cents to R329.

The weekly review of world stock markets' performance will appear in a later issue.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	MONDAY SEPTEMBER 25 1989						FRIDAY SEPTEMBER 22 1989			DOLLAR INDEX		
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Day's change % local currency	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1989 High	1989 Low	Year ago (approx)
Australia (85)	154.73	+1.0	142.62	130.29	+0.3	5.04	153.13	144.10	129.96	157.14	128.28	138.80
Austria (19)	160.14	+3.8	147.61	158.64	+1.6	1.54	154.24	145.14	156.15	160.14	92.84	87.62
Belgium (63)	142.36	+2.5	131.24	140.63	+0.4	3.93	138.87	130.68	140.07	142.36	125.58	119.16
Canada (123)	148.06	+0.1	136.47	126.24	−0.2	3.20	147.90	139.17	126.53	153.59	124.67	118.32
Denmark (36)	197.53	+1.3	182.07	198.21	−0.6	1.59	195.00	183.50	200.43	219.89	165.35	130.43
Finland (26)	128.72	+1.3	118.64	116.43	−0.8	2.38	127.08	119.58	117.34	159.16	125.81	115.50
France (126)	136.64	+1.8	125.95	138.30	−0.4	2.72	134.29	126.37	138.87	136.64	112.57	97.00
West Germany (97)	102.27	+3.0	94.26	101.31	+0.8	2.02	99.31	93.46	100.66	102.27	79.56	79.08
Hong Kong (48)	114.20	+0.0	105.26	114.42	+0.0	4.90	114.17	107.43	114.42	140.33	86.41	100.35
Ireland (17)	158.78	+3.1	146.35	158.97	+0.7	2.77	154.00	144.92	158.80	166.69	125.00	129.45
Italy (97)	94.74	+1.6	87.32	97.35	−0.5	2.35	93.27	87.77	97.86	98.73	74.97	72.23
Japan (455)	183.39	+2.1	169.04	165.37	+0.0	0.46	179.68	169.08	165.37	200.11	164.22	155.64
Malaysia (36)	203.04	+0.4	187.15	210.04	+0.0	2.48	202.17	190.25	210.00	203.04	143.35	134.54
Mexico (13)	316.41	−0.6	291.64	894.27	−0.5	0.56	318.31	299.54	898.94	321.99	153.32	164.30
Netherland (43)	130.77	+1.5	120.53	128.35	−0.7	4.13	128.84	121.24	129.25	130.77	110.63	101.28
New Zealand (20)	82.90	+0.6	76.41	73.73	+0.0	4.86	82.40	77.55	73.73	88.18	62.64	70.40
Norway (24)	188.29	+1.6	173.55	178.32	+0.0	1.45	185.41	174.47	178.36	198.39	139.92	111.83
Singapore (26)	167.40	+0.8	154.29	151.54	+0.0	1.84	166.09	156.29	151.54	170.62	124.57	116.15
South Africa (60)	158.04	+0.8	145.67	138.46	+0.6	4.09	156.73	147.48	137.59	158.04	115.35	100.69
Spain (43)	167.11	+2.3	154.03	151.67	+0.5	3.40	163.40	153.77	150.84	167.11	143.14	134.98
Sweden (35)	177.85	+0.3	163.92	170.67	−1.1	2.01	177.32	166.87	172.73	188.94	138.45	119.82
Switzerland (64)	91.47	+1.9	84.31	93.94	+0.0	2.01	89.73	84.43	93.95	94.16	67.81	77.29
United Kingdom (306)	156.11	+1.7	143.89	143.89	−0.4	4.14	153.54	144.49	144.49	158.41	133.28	124.27
USA (548)	139.97	−0.7	129.01	139.97	−0.7	3.29	140.99	132.68	140.99	143.84	112.13	109.99
Europe (996)	132.67	+1.9	122.28	127.30	−0.2	3.27	130.17	122.50	127.54	132.67	112.63	103.08
Nordic (121)	166.12	+0.8	153.12	156.01	−0.8	1.82	164.73	155.02	157.25	178.38	137.95	113.50
Pacific Basin (670)	179.72	+2.0	165.65	162.07	+0.0	0.73	176.22	165.83	162.05	194.72	160.44	152.68
Euro−Pacific (1666)	161.04	+2.0	148.43	148.04	−0.1	1.58	157.94	148.63	148.12	166.98	141.56	132.67
North America (671)	140.35	−0.7	129.37	139.11	−0.7	3.28	141.31	132.97	140.08	144.24	112.79	110.42
Europe Ex. UK (690)	117.62	+2.1	108.41	117.01	+0.0	2.64	115.20	108.41	117.03	117.62	96.30	89.78
Pacific Ex. Japan (215)	135.48	+0.7	124.88	120.64	+0.1	4.66	134.55	126.62	120.47	137.65	111.93	117.14
World Ex. US (1862)	160.66	+1.9	148.08	147.46	−0.1	1.66	157.68	148.38	147.54	166.35	141.49	132.07
World Ex. UK (2104)	151.84	+1.0	139.96	144.98	−0.3	1.96	150.39	141.52	145.36	155.66	136.98	123.37
World Ex. So. Af. (2350)	152.17	+1.0	140.26	144.90	−0.3	2.17	150.62	141.74	145.31	155.92	136.67	123.57
World Ex. Japan (1955)	137.64	+0.3	126.87	134.57	−0.5	3.34	137.19	129.10	135.19	138.29	114.51	108.04
The World Index (2410)	152.21	+1.0	140.29	144.86	−0.3	2.18	150.66	141.77	145.26	155.89	136.68	123.43

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Amendments to indices for September 22 applied to the US and related regional indices.
Constituent change 25/9/89:Deletion AEG (West Germany).

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